

PUBLIC PAPERS  
OF THE  
PRESIDENTS

Jimmy  
Carter

1978

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OF THE UNITED STATES







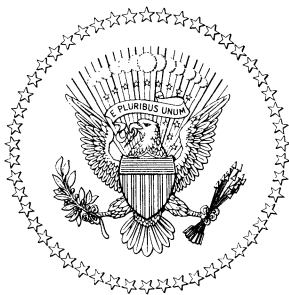
PUBLIC PAPERS OF THE PRESIDENTS  
OF THE UNITED STATES

# Jimmy Carter

1978

(IN TWO BOOKS)

BOOK I—JANUARY 1 TO JUNE 30, 1978



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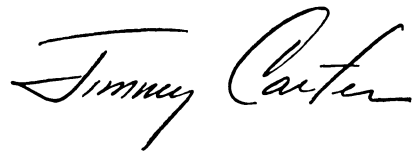
## Foreword

The regular publication of Presidential papers is one of countless procedures—large and small, public and private, mandated by law or fixed by custom—which, taken together, make the United States an open society. This volume, covering the first half of 1978, is as much a dialog with the present as it is a record for the future.

These papers reflect the variety of a President's roles, from ceremonial leader to party chieftain, from partner with Congress in the making of laws to representative of the Nation in the building of a more peaceful world. They reflect as well the vast scope and complexity of the public concerns of Americans in a challenging time.

During the first half of 1978, efforts launched in my administration's initial year began to bear fruit. Important gains were made in such areas as employment and farm income. The Panama Canal treaties, ratified during this period, opened a new era of cooperation in our hemisphere.

Some of the speeches and documents collected here were painstakingly prepared; others were extemporaneous. All, I hope, show my concern with bringing government closer to the people, with responding to human needs, with protecting our liberties and our national values, with preserving natural resources, with strengthening our economy—and, most of all, with building a world of stability, security, and peace.

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style with a large, sweeping "C" at the end.



## Preface

This book contains the papers and speeches of the 39th President of the United States which were issued by the White House Press Office during the period January 1–June 30, 1978. A second Public Papers book completing President Carter's second year in office will be printed later in 1979. The material has been compiled and published by the Office of the Federal Register, National Archives and Records Service, General Services Administration.

The material is presented in chronological order within each week, and the dates shown in the headings are the dates of the documents or events. In instances when the release date differs from the date of the document itself, that fact is shown in the textnote. Every effort has been made to ensure accuracy. Tape recordings are used to protect against errors in transcription of Presidential remarks, and signed documents are checked against the original to verify the correct printing. Textnotes, footnotes, and cross references have been provided by the editors for purposes of identification or clarity. Speeches were delivered in Washington, D.C., and other documents released there, unless indicated. All times noted are local times.

All materials have been fully indexed. In addition to the usual subject-matter entries in the index, the material has been classified in categories reflecting the type of Presidential activity or document. For example, a reader interested in the President's speeches will find them listed in the index under "Addresses and Remarks." An index accounting for all the materials for 1978 will be included in Book II.

The Public Papers series was begun in 1957 in response to a recommendation of the National Historical Publications Commission. An extensive compilation of messages and papers of the Presidents covering the period 1789 to 1897 was assembled by James D. Richardson and published under congressional authority between 1896 and 1899. Since then, various private compilations have been issued, but there was no uniform publication comparable to the Congressional Record or the United States Supreme Court Reports. Many Presidential papers could be found only in the form of mimeographed White House releases or as reported in the press. The Commission therefore recommended the establishment of an official series in which Presidential writings, addresses, and remarks of a public nature could be made available.

The Commission's recommendation was incorporated in regulations of the Administrative Committee of the Federal Register, issued under section 6 of the Federal Register Act (44 U.S.C. 1506), which may be found in Title 1, Part 10, of the Code of Federal Regulations.

## *Preface*

A companion publication to the Public Papers series, the Weekly Compilation of Presidential Documents, was begun in 1965 to provide a broader range of Presidential materials on a more timely basis to meet the needs of the contemporary reader. Beginning with the administration of Jimmy Carter, the Public Papers series expanded its coverage to include all material as printed in the Weekly Compilation. That coverage provides a listing of the President's daily schedule and meetings, when announced, and other items of general interest issued by the White House Press Office. Also included are lists of the President's nominations submitted to the Senate, materials released by the Press Office which are not printed full-text in the book, and acts approved by the President. This information is compiled on a weekly basis and appears at the end of each week's coverage.

Volumes covering the administrations of Presidents Hoover, Truman, Eisenhower, Kennedy, Johnson, Nixon, and the first 2 years of President Ford are also available.

This series is under the direction of Fred J. Emery, Director, and Ernest J. Galdi, Deputy Director, Office of the Federal Register, and is produced by the Presidential Documents Division, Robert E. Lewis, Director, and Richard L. Claypoole, Deputy Director. Editors of this book were Katherine A. Mellody, Kenneth R. Payne, and Brian L. Hermes.

White House liaison was provided by Walter W. Wurfel, Deputy Press Secretary. The frontispiece and photographs used in the portfolio were supplied by the White House Photo Office.

The typography and design of the volume were developed by the United States Government Printing Office under the direction of John J. Boyle, Public Printer.

JAMES B. RHOADS  
*Archivist of the United States*

JOEL W. SOLOMON  
*Administrator of General Services*  
January 1979

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Administration of Jimmy Carter

1978





# PRESIDENTIAL DOCUMENTS

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Week Ending Saturday, January 7, 1978

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## New Delhi, India

*Remarks of the President and President N. S. Reddy at the Welcoming Ceremony.  
January 1, 1978*

PRESIDENT REDDY. *Mr. President, Mrs. Carter, Excellencies, ladies and gentlemen:*

It gives me great pleasure to welcome President and Mrs. Carter and the very distinguished guests on this New Year's Day.

The year just ended saw a new burst of faith and vitality in our two democracies. The year which begins today will, we hope, open a new chapter in our relations.

Our people were greatly enthused at the visit last year of your mother, Mrs. Lillian Carter, and especially at her abiding interest in the little community of Vikhroli, which she served with great dedication some years ago.

Today in welcoming you, we welcome not only the President of the United States but also a great humanist, a man of ideals, and one who has brought to international politics the nobility of moral imperatives.

Much has happened in our two countries since the last visit of an American President to India. It is a happy coincidence that governments in Washington and New Delhi changed almost at the same time. Shared values in terms of democracy and the dignity of the individual

have worked for a free and easy dialog between the people and the governments of our two countries.

As mature, independent nations our countries have had differences in priorities and policies, which have often clouded the common ideals and deep affinities which bind us. Neither of our countries has been indifferent to the great challenges which confront the world as a whole. We believe that our goals are the same—a world of peace, justice, and liberty for individuals and nations.

The United States has long interested itself and cooperated with us in our own developmental balance. We believe that a closer and more confident relationship can be of mutual benefit and in turn contribute to serve the cause of building bridges of cooperation between the developed and developing countries.

We hope, Mr. President, that this visit, however short, will provide an opportunity for frank and free discussions and become a catalyst for establishing a clear rapport and understanding between the leaders of our two governments.

But even this brief visit will, I am confident, give you an opportunity to get a feel of the warmth of friendship which the people of India have for the people of the United States.

On behalf of the people and government of India and on my own behalf,

allow me to wish you a very pleasant and fruitful stay in Delhi and a Happy New Year.

PRESIDENT CARTER. *President and Mrs. Reddy, Prime Minister Desai, distinguished members of the leading group in India, diplomatic members, and people of this great country:*

I'm certainly delighted to begin my own new year by coming here to India to make new friends. My mother, who loves this nation and its people very deeply, has told me of the warmth and friendship of the Indian people.

She experienced it in her years of service here and, again, a few months ago in a time of sorrow when she represented me as President and the people of the United States at the funeral of your former president.

I know that I will feel at home here because of the things the United States and India have in common—the importance that we attach historically and in this present day to basic moral values; our common belief in and the daily practice of democracy; our mutual commitment to world peace and to its essential foundations; a more just political and economic order among the nations, large and small, rich and poor; our concern for helping those who are most in need, both our immediate neighbors and those who live far away from our own homes; the great size and potential and economic strength of both our nations; and our readiness on occasion, Mr. President, to criticize others, but to be even more critical of ourselves, knowing that we can always improve even the superb achievements which our people have realized.

I'm very glad to be welcomed by you, such a distinguished leader. And through our correspondence this year, I have also already come to regard Prime Minister Desai as a personal friend. Now I am happy to meet him and you personally. I

know him to be a man of great courage, of rectitude and dedication.

We will have much to talk about with the government leaders of India. Both our nations know that an interdependent world requires close cooperation and consultation between the leaders every day, every year which we serve. I am certainly grateful for this opportunity to visit your great country and to learn in person about the largest democracy on Earth.

On behalf of the people of the United States, Mr. President, let me say that we are very glad to renew our friendships, to establish new ones, and to respond toward your heartfelt welcome, and also to return your wish that we both together and the entire world can have a good new year and a world at peace.

Thank you very much.

NOTE: The exchange began at 2:27 p.m. at Palam Airport.

Following the arrival ceremony, the President met with President Reddy at the Rashtrapati Bhavan.

## New Delhi, India

*Remarks of the President at the Ramlila Grounds. January 1, 1978*

Happy New Year everybody. I bring you warm New Year's greetings from the people of the United States. I am moved and pleased by the size and the warmth of your welcome. It is a stirring testimony to the common values which have always bound together the Indian people and the people of America.

I am particularly pleased with the presence of the mayor and of your Prime Minister Desai. I know him to be a man of uncompromising dedication to personal and also public morality. Both he and I share with the people of India and the people of my country a deep religious faith.

Interest in my family in your great country of India runs very deep because of my mother's years of service here with you and because of her love for the Indian people. Being here with my wife fulfills a longstanding ambition of mine to visit your great country and your great people. I particularly want to learn about your country and to learn from your country the greatness of India, the culture of India, and your views on the problems with which we all must deal together.

We want the other peoples of the world to benefit from our consultation, our friendship, our standard of moral values, and our hope for world peace. The most important bond between India and the United States is our emphasis on the questions and the commitments of the spirit.

It is to be expected that the world's two greatest and largest democracies are bound together with a profound commitment to the importance of moral values. Our creeds and our religions differ in some ways, but we agree that all faiths be granted equal respect. Both nations are certain that a concern with matters of morals and the spirit is closely connected with the strength of our own democratic political systems.

My own Nation is built on firm and fundamental beliefs. We believe that governments exist to protect the freedom and the well-being of the people. We believe that there are individual rights which have a higher claim than powers of governments. We believe that every human being is entitled to certain basic rights—a right to choose one's own government, a right to worship one's own God, a right to think and to speak one's own mind freely, a right to live where one chooses, a right to learn and to be taught, a right to work, to raise a family, and to eat so as

to be strong in mind and body, a right to be cared for with skill and tenderness when ill.

On these human rights can a world of justice be built, and toward these ends the people of America and the people of India must always work together.

May God's blessings and peace be with you all. Thank you very much.

NOTE: The President spoke at 4:45 p.m. Following his remarks the President and Prime Minister M. R. Desai went to the Rashtrapati Bhavan for a meeting.

## New Delhi, India

*Remarks at the American Embassy to  
Members of the American Community.  
January 2, 1978*

Ambassador Goheen and friends, both those who come from the United States and those who live here permanently, it's good to be on American soil. And as I walked down the path to shake hands with those in front of the crowd, I was impressed at the young age of your staff. I would say the average age is about 7 or 8. [*Laughter*] We are homesick for Amy. She happens to be in Colorado now, skiing for the first time. We don't have any snow in Georgia, and this is her first experience.

But our country is so great and so strong and, I hope, in its attitudes is enlightened, progressive, and also, benevolent.

It's almost 2 years ago that the people of Iowa, represented so beautifully by the group behind me,<sup>1</sup> exercised their very sound political judgment by giving me my first victory in the long road to election

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<sup>1</sup>Forty-six singers from Clarke and Loras Colleges in Dubuque, Iowa, had entertained the group prior to the President's remarks.

as President of our country. And I want to thank them and the people of Iowa and all of the Americans who have their hearts, at this moment, focused on India because of the presence here of me and my wife.

I've come, just a few moments ago, from the beautiful and simple memorial to Mahatma Gandhi, a man who represented in his simple, courageous, and dedicated life, principles which never change. He was, indeed, and still is a spiritual leader of the whole world, and he represents principles that I try to keep ever present in my own mind—a hope for peace, for nonviolence, for pure truth, for dedication, for compassion, for understanding, for love, for simplicity. And even in his great strength as a moral leader, he was able to exhibit all these characteristics.

It's a sobering thought to know the economic and military and political power of the United States. When I met last night and this morning with the leaders of India—President Reddy, Prime Minister Desai, members of the Cabinet—in almost every important discussion that arose concerning atomic weapons or the prohibition against them, or conventional arms sales to the Horn of Africa, the Middle East, international trade, the functions of the United Nations—in almost every instance, Prime Minister Desai said, "Well, the responsibility lies on the shoulders of you and the Soviet Union." And I think he has a tendency to exaggerate the influence of our country, perhaps, somewhat, but still it is a sobering thought to know that the world looks to us for the maintenance of peace and for mutual progress and for the solution of some of the economic and social ills that afflict the world.

I come here representing our Nation as a President sobered by power and also proud to represent the freedoms and the

commitment to human rights and the search for peace that is our Nation and which exemplifies the deep yearnings of all the American people. So, I am an important representative here in India, one of our closest and most valued friends in the largest democracy on Earth.

But equally with me, you represent our country also in a very tangible way and in a permanent way—not just the Ambassador and his wife, but every member of the staff, both American and Indian. You represent the United States here on American soil and in your every contact with the people who look to you and say, "There goes a representative of America." And the wives and husbands of the staff members, and even the smallest child who's perhaps only 2 or 3 years old, you are part of the United States of America here in India. It's with a great sense of awareness that I recognize the professional commitment and the quality of your work in the Embassy here in New Delhi.

Your responsibility is to know this country—its strengths, its weaknesses, its achievements, its problems, its past, its present, and its future—and also to know the same characteristics of our own Nation; to search for common commitments and areas of agreement and means by which we can strengthen the valuable friendships which bind us together.

At the same time, it's incumbent upon you to let us know back in Washington in a continuing, routine way how I, as President, and the Secretary of State, other leaders in our administration and the Congress, can perform better to realize the tremendous hopes that we all share.

India is a special place because of Gandhi, because of Nehru, because of Desai and others. There is a sense in the world that moral leadership derives from the Indian people in a direct and continuing fashion. And I think the elections in India this past year have again shown a

reconfirmation of commitment to democracy in its purest form: the right of individual citizens to make their own decisions through freely elected government officials.

It's no coincidence that we share those strong ties of friendship with this great country. We share mutual achievements. We share mutual problems. And we try to exercise our influence in a beneficent way toward areas of the world that might be troubled with conflict and even greater trial or tribulation.

So, as President, I come to express the appreciation of the American people who are at home for the American people who are here doing such a fine job, and to let you know how proud I am of you. We are partners in a noble effort to exemplify the finest hopes and aspirations of the American people throughout the Earth.

Thank you very much for letting me have this chance to share with you what we do together.

NOTE: The President spoke at 12:15 p.m. In his opening remarks, he referred to Robert F. Goheen, United States Ambassador to India.

Following his remarks, the President went to Roosevelt House, the Ambassador's residence, for a working luncheon with Prime Minister Desai.

Earlier in the day, the President met with Prime Minister Desai at the Rashtrapati Bhavan and participated in a wreathlaying ceremony at the Gandhi Memorial.

## New Delhi, India

*Remarks Before the Indian Parliament.  
January 2, 1978*

*Mr. Vice President, Mr. Prime Minister,  
Mr. Speaker, distinguished leaders of the  
Republic of India:*

I stand before you in this house, the seat of one of the world's greatest legisla-

tures, with feelings of profound friendship and respect.

I bring with me the warm greetings and good wishes of the people of the second largest democracy on Earth, the United States of America, to the people of the largest democracy, the Republic of India.

Not long ago, both of our people's governments passed through grave crises. In different ways, the values for which so many have lived and died were threatened. In different ways, and on opposite sides of the world, these values have now been triumphant.

It is sometimes argued that the modern industrial state—with its materialism, its centralized bureaucracies, and the technological instruments of control available to those who hold power—must inevitably lose sight of the democratic ideal.

The opposite argument is made even more frequently. There are those who say that democracy is a kind of rich man's plaything, and that the poor are too preoccupied with survival to care about the luxury of freedom and the right to choose their own government.

This argument is repeated all over the world—mostly, I have noticed, by persons whose own bellies are full and who speak from positions of privilege and power in their own societies.

Their argument reminds me of a statement made by a great President of the United States, Abraham Lincoln. He said, "Whenever I hear anyone arguing for slavery, I feel a strong impulse to see it tried on him personally."

The evidence, both in India and in America, is plain. It is that there is more than one form of hunger, and neither the rich nor the poor will feel satisfied without being fed in body and in spirit.

Is democracy important? Is human freedom valued by all people?

India has given her affirmative action and answer in a thunderous voice, a voice

heard around the world. Something momentous happened here last March—not because any party in particular won or lost, but rather, I think, because the largest electorate on Earth freely and wisely chose its leaders at the polls. In this sense, democracy itself was the victor in your country.

Together, we understand that in the field of politics, freedom is the engine of progress. India and America share practical experience with democracy.

We in the United States are proud of having achieved political union among a people whose ancestors come from all over the world. Our system strives to respect the rights of a great variety of minorities, including, by the way, a growing and productive group of families from your own country, India.

But the challenge of political union is even greater here in your own country. In the diversity of languages, religions, political opinions, and racial and cultural groups, India is comparable to the continent of Europe, which has a total population about the same size as your own. Yet India has forged her vast mosaic of humanity into a single great nation that has weathered many challenges to survival both as a nation and as a democracy. This is surely one of the greatest political achievements of this century or any other century.

India and the United States are at one in recognizing the right of free speech—which Mahatma Gandhi called “the foundation-stone of *Swaraaj*” or self-government—and the rights of academic freedom, trade union organization, freedom of the press, and freedom of religion.

All these rights are recognized in international covenants. There are few governments which do not at least pay lip service to them. And yet, to quote Gandhi once more, “No principle exists in the

abstract. Without its concrete application it has no meaning.”

In India, as in the United States, these rights do have concrete application, and they have real meaning, too. It is to preserve these rights that both our nations have chosen similar political paths to the development of our resources and to the betterment of the life of our people.

There are differences between us in the degree to which economic growth is pursued through public enterprise on one hand and private enterprise on the other hand. But more important than these differences is our shared belief that the political structure in which development takes place should be democratic and should respect the human rights of each and every citizen in our countries.

Our two nations also agree that human needs are inseparable from human rights; that while civil and political liberties are good in themselves, they are much more useful and much more meaningful in the lives of people to whom physical survival is not a matter of daily anxiety.

To have sufficient food to live and to work; to be adequately sheltered and clothed; to live in a healthy environment and to be healed when sick; to learn and to be taught—these rights, too, must be the concerns of our governments. To meet these ends orderly economic growth is crucial. And if the benefits of growth are to reach those whose need is greatest, social justice is critical as well.

India is succeeding in this historic task. Your economic challenges are no secret, and their seriousness is well understood in the West.

But what is far less well understood is the degree to which Indian social and economic policy has been such a success. In the single generation since your independence was gained, extraordinary progress has been made.

India is now a major industrial power. Your economy ranks among the 10 largest in the whole world. You are virtually self-assured and self-sufficient in consumer goods and in a wide variety of other products, such as iron and steel.

There have been notable increases in production in nearly every important sector of your economy—increases which reflect an economy of great technological sophistication. This kind of growth is doubly important to try to reduce trade barriers and to promote both bilateral trade and mutual responsibility for the whole world's trading system.

But most important are the advances in human welfare that have touched the lives of ordinary Indians. Life expectancy has increased by 20 years since your independence. The threat of major epidemics has receded. The literacy rate in your country has doubled. While only a third of Indian children went to school in the years just after independence, nearly 90 percent of primary-age Indian children now receive schooling. Nine times as many students go to universities as they did before.

I mention these gains that we tend to overlook in our preoccupation with the problems that quite properly face and engage our attention.

India's difficulties, which we often experience ourselves and which are typical of the problems faced in the developing world, remind us of the task which lie ahead.

But India's successes are just as important, because they decisively refute the theory that in order to achieve economic and social progress, a developing country must accept an authoritarian or a totalitarian government, with all the damage to the health of the human spirit which comes with it.

We are eager to join with you in maintaining and improving our valuable and

mature partnership of political and economic cooperation.

It's a sobering fact, for instance, that in a nation of so many hundreds of millions of people, only a few American business leaders are now involved, on a daily basis, in the economic and commercial life of your country.

We need to identify more areas where we can work together for mutual benefit and, indeed, for the benefit of the whole world.

In the area of development, I am deeply impressed with the creative direction that the Government of India has taken in the new economic statement. You have committed your nation unequivocally to rural improvement and the creation of rural employment. This policy now faces a test of implementation and, especially, the test of bringing its benefits to the very poorest areas of your rural population. The seriousness and the determination, however, of your commitment is a cause for optimism.

We want to learn from you and to work with you however we can.

In agriculture, there are also exciting new areas of technology on which we can work together. After a decade of importing grain, India now stands with a surplus of nearly 20 million tons. This is a tribute to the growing productivity of your agriculture and the competence, also, of your administrative services.

We applaud the grain reserve program that you've begun, and we would welcome the opportunity to share with you our resources and our experience in dealing with storage problems that surpluses bring with them.

Our countries must be in the forefront of the effort to bring into existence the international food reserve that would mitigate the fear of famine in the rest of the world. At the same time, we must recognize that today's surpluses are likely to

be a temporary phenomenon. The best estimates indicate that unless new productive capacity is developed, the whole world with its rapidly growing population may be facing large food shortages in the mid-1980's.

The greatest opportunities to increase agricultural productivity exist here in India and elsewhere in the developing world. These opportunities must be seized not just so that Indians can eat better, but so that India can remain self-sufficient and, perhaps, even continue to export food to countries with less agricultural potential than you have.

In the past, America and India have scored monumental achievements in working together in the agricultural field. But there is still a vast, unrealized potential to be tapped.

I would like to see an intensified agricultural research program aimed both at improving productivity in India and at developing processes that could then be used elsewhere. This program could be based in the agricultural universities of our two countries, but would also extend across the whole frontier of research. And beyond research, I would like to identify joint development projects where research can be tested and put to work.

Perhaps Prime Minister Desai and I may now instruct our governments to focus on these matters and to come up with specific proposals within the next few months.

One of the most promising areas for international cooperation, which I have already discussed with your Prime Minister, is in the regions of eastern India and Bangladesh, where alternating periods of drought and flood cut cruelly into food production. Several hundred million people live in this area. They happen to be citizens of India, Bangladesh, and Nepal.

Great progress has already been made between your nations in resolving ques-

tions concerning water. And we are prepared to give our support when the regional states request a study that will define how the international community, in cooperation with the nations of South Asia, can help the peoples of this area use water from the rivers and the mountains to achieve the productivity that is inherent in the land and the people.

Sustained economic growth requires a strong base in energy as well as in agriculture. Energy is a serious problem in both our countries, for both of us import oil at levels that can threaten our economic health and expose us, even, to danger if supplies are interrupted. American firms are already working with Indians in developing the oil-producing area off the shores of India, near Bombay.

We also have a long record of cooperation in the development of nuclear power, another important element of India's energy plans. Our work together will continue in this field, as well. This is a cold, technological subject. But Prime Minister Desai and I had warm and productive discussions about this field. We have notified him that shipments of nuclear fuel will be made for the Tarapur reactor.

And because of an accident that did occur in your heavy water production plant, we will make available to India, also, supplies from our reserves of heavy water.

Additionally, we stand ready to work with you in developing renewable energy resources, especially solar energy. There is no shortage of sunlight in India. And the lack of a massive, existing infrastructure tied to fossil fuel use will make the application of solar and solar-related energy vastly easier here than it will be in my own country, where we are so heavily dependent upon other sources of energy. However, the inherently decentralized nature of solar energy makes it ideal as a complement to your government's stress



on developing self-reliant villages and communities.

The silent void of space may seem remote from these challenges. But the intricate electronics of a space satellite can be as useful to earthbound farmers as a new plow.

The Indian and American Governments will tomorrow exchange diplomatic notes confirming that the United States will program its Landsat Earth resources satellite to transmit data directly to a ground receiving station that India will own and operate.

This satellite service will provide India with comprehensive topographic and minerals information and timely data on the ever-changing condition of weather, agricultural, water, and other natural resources. Under the terms of the agreement, India will make available to neighboring countries any information that affects them.

Also, India has already reserved space on board the American space shuttle in 1981 to initiate a domestic communications satellite system, using a satellite designed to Indian specifications.

We are very pleased that our space technology, together with India's superb space communications capability, will serve the cause of practical progress in your country.

Our scholarly exchanges have already enriched the lives of Americans who participated in them. And I hope the same has been true of Indian participants. In matters of culture and the arts, we know how much we have to gain. Not only India but also the rest of Asia and Africa and the Middle East have much to offer us. I hope to expand the opportunities for our own citizens to appreciate and to enjoy the strong and varied culture in the nations of your part of the world.

In global politics, history has cast our countries in different roles. The United

States is one of the so-called super powers; India is the largest of the nonaligned countries. But each of us respects the other's conception of its international responsibilities, and the values that we do share provide a basis for cooperation in attacking the great global problems of economic justice, human rights, and the prevention of war.

This pursuit of justice and peace and the building of a new economic order must be undertaken in ways that promote constructive development rather than fruitless confrontation. Every country will suffer if the North-South dialog is permitted to founder.

Because India is both a developing country and also an industrial power, you are in a unique position to promote constructive international discussion about trade, energy, investment, balance of payments, technology, and other questions. I welcome your playing this worldwide leadership role.

I know that there will be times when we will disagree on specific issues and even on general approaches to larger problems. But I hope and believe that our shared interests and our common devotion to democratic values will help us to move toward agreement on important global and bilateral issues.

But neither of us seeks to align with the other except in the pursuit of peace and justice. We can even help each other to alleviate differences which might exist between ourselves and other nations.

Our two countries are part of a democratic world that includes nations in all stages of development, from Sweden and Japan to Sri Lanka and Costa Rica.

We share many common problems. But we also share an obligation to advance human rights—not by interfering in the affairs of other nations, not by trying to deny other nations the right to choose their own political and social system, but

by speaking the truth as we see it and by providing an admirable example of what democracy can mean and what it can accomplish.

The danger of war threatens everyone, and the United States is trying to help reduce that danger—in the SALT negotiations with the Soviet Union, in talks aimed at a comprehensive ban of the testing of all nuclear explosives anywhere on Earth, and in our own policy of restraint on conventional arms transfers. We are also working hard to restrict the proliferation of nuclear explosives.

We are seeking to help the process of peace in Africa and the Middle East. And we are taking steps to forestall, along with the Soviets, great power rivalry and the escalation of military presence in your own Indian Ocean.

India is pledged to peaceful cooperation with your neighbors, and India is an important part of almost any United Nations peacekeeping force. India is a present and frequent member of the Security Council and has been in the forefront of campaigns against colonialism and against apartheid.

The motto of my country is “In God We Trust;” India’s is *Satyameva Jayte*—“Truth Alone Prevails.” I believe that such is the commonality of our fundamental values that your motto could be ours, and perhaps our motto could also be yours.

Our nations share the goals of peace in the world and human development in our own societies. And we share, as well, the conviction that the means that we employ to reach these goals must be as much in keeping with the principles of freedom and human dignity and social justice as are the goals themselves.

This affinity of belief is as strong a tie as there can be between any two nations on Earth. The values that Americans and Indians share have deeply affected my

own life. I come to you as a national leader, yes, in the hope that my visit will mark a new and a higher stage in the steadily improving relations between our two countries.

But in a more personal sense—a sense that is very close to my own heart—I come also as a pilgrim.

This morning I had the honor of laying a wreath on the memorial to Mahatma Gandhi. In that sacred place, so simple and so serene, I recalled anew the ways in which Gandhi’s teachings have touched the lives of so many millions of people in my own country.

When I was growing up on a farm in the State of Georgia, in the heart of the Southern United States, an invisible wall of racial segregation stood between me and my black classmates, schoolmates, playmates, when we were old enough to know what segregation was. But it seemed then as if that wall between us would exist forever.

But it did not stand forever. It crumbled and fell. And though the rubble has not yet been completely removed, it no longer separates us from one another, blighting the lives of those on both sides of it.

Among the many who marched and suffered and bore witness against the evil of racial prejudice, the greatest was Dr. Martin Luther King, Jr. He was a son of Georgia and a spiritual son of Mahatma Gandhi.

The most important influence in the life and work of Dr. King, apart from his own religious faith, was the life and work of Gandhi. Martin Luther King took Gandhi’s concepts of nonviolence and truth-force and put them to work in the American South.

Like Gandhi, King believed that truth and love are the strongest forces in the universe. Like Gandhi, he knew that ordinary people, armed only with courage

and faith, could overcome injustice by appealing to the spark of good in the heart, even, of the evil-doer.

Like Gandhi, we all learned that a system of oppression damages those at the top as surely as it does those at the bottom. And for Martin Luther King, like Mahatma Gandhi, nonviolence was not only a political method, it was a way of life and a spiritual path to union with the ultimate.

These men set a standard of courage and idealism that few of us can meet, but from which all of us can draw inspiration and sustenance.

The nonviolent movement for racial justice in the United States, a movement inspired in large measure by the teachings and examples of Gandhi and other Indian leaders—some of whom are here today—changed and enriched my own life and the lives of many millions of my countrymen.

I am sure you will forgive me for speaking about this at some length. I do so because I want you all to understand that when I speak of friendship between the United States and India, I speak from the heart as well as the head. I speak from a deep, firsthand knowledge of what the relationship between our two countries has meant in the past and how much more, even, it can mean for all of us in the future.

For the remainder of this century and into the next, the democratic countries of the world will increasingly turn to each other for answers to our most pressing common challenge: how our political and spiritual values can provide the basis for dealing with the social and economic strains to which they will unquestionably be subjected.

The experience of democracy is like the experience of life itself—always changing, infinite in its variety, sometimes turbulent,

and all the more valuable for having been tested by adversity.

We share that experience with you, and we draw strength from it. Whatever the differences between my country and yours, we are moving along the path of democracy toward a common goal of human development. I speak for all Americans when I say that I am deeply grateful that you and I travel that road together. Thank you very much.

NOTE: The President spoke at 4:33 p.m. at Parliament House. In his opening remarks, he referred to B. D. Jatti, Vice President of India, Prime Minister Desai, who had introduced him, and K. S. Hegde, Speaker of the House of the People.

## New Delhi, India

*Toasts of the President and President N. S. Reddy at a State Dinner. January 2, 1978*

PRESIDENT REDDY. We are happy to have you with us this evening. My people associate America as a land of liberty, and they look upon you, Mr. President, as a leader who has sought to restore the relevance of moral and spiritual values.

The year just ended will long be remembered in the annals of our two nations. The people of the United States of America elected you to the White House to heal the wounds of a decade of conflicts and divisions. In India, our general elections gave proof that in a democracy the will of the people is the ultimate arbiter of power. Your visit provides the opportunity to establish closer personal contacts between the newly elected and like-minded leaders of our two countries and to strengthen the deep affinities between us. I welcome you on behalf of my people and my government.

Notwithstanding the ideals which we share, we have varied emphasis in our pri-

orities and in our international preoccupations. Paradoxically, the very adherence to similar political systems has at times exaggerated our misunderstandings and blurred our affinities.

The world situation as it appears has materially changed. Many new countries have attained independent nationhood. Détente, coexistence, and even cooperation between countries with different political and social systems have come to be recognized as having an inexorable logic for our interdependent planet. Ideologies are in the process of being domesticated, and pluralism amongst nations is seen as a factor of stability, rather than a threat to international peace. The prospect of nuclear war has given a new meaning to the search for peace on Earth. Nonalignment is much less misunderstood. If there is a bipolarity today, it is between forces seeking stability and cooperation and those which seek to obstruct orderly and progressive solutions to world problems.

The growing chasm between the developing and developed world may in the future lead to increasing, dangerous tensions. The world of the rich and the poor face a common doom if we cannot act together to protect the earth, the air, and water from plunder and pollution.

What we have admired in the short period of your Presidency is your sensitivity not just to the problems of your own country but to the dark shadows on peace and international stability. You have made the international community aware of the rights of individuals, be they at home or in other distant lands, and the responsibilities we have to uphold of the common man's inherent demand for liberty, equality, and justice.

Mr. President, the world today commands the resources, the technology, and also, I believe, the wisdom to fashion a

stabler and just international order. The time has come for the United States and India, along with like-minded countries, to work together so that overriding, narrow national interests may be persuaded to see the wisdom of making necessary adjustments and sacrifices to help establish a new international economic order. The dangerous imbalances which exist must be corrected, the specter of poverty removed, and the creeping despondency in cooperative solutions banished.

Mr. President, we recognize that the role we in India can play in the resolution of international problems can only come from dynamic economic growth and the establishment of an equitable society in our own land. Our people have demonstrated the capacity to learn and to innovate, but to fulfill their modest expectations is, in itself, a gigantic task. Our achievements, however, give us courage and confidence.

We have laid the foundations for our progress on a wide front covering principally agriculture, industry, and more important, the indigenization of scientific and technological know-how. Our economy has been relieved of the endemic anxieties arising from the paucity of food production and difficulties in balance of payments. We are in the process of reviewing our priorities so that a greater share of the benefits of planned socio-economic development reach the economically weaker sections of society. We have recognized the dangers from uncontrolled urbanization and are determined to make our villages economically resilient.

Social and economic transformation through democratic methods may at times appear slow. Certainly in a democratic setup, failure attracts more attention, both at home and abroad, than progress actually made towards social and economic goals. We seek neither to minimize

our tasks nor conceal our failures. We are fully convinced that, in the end, a democracy gathers vigor from open dissent, and a consensus makes for firmer foundations. What we ask of the international community, and that too as a supplement to our own national efforts, is constructive cooperation or at least a benign understanding of our endeavors.

On the wider canvas, my government remains faithful to the fundamental principles of our foreign policy. The remnants of colonialism and racialism, where they still exist, must go. Racialism, which certainly persists in Africa in defiance of international opinion, must give way to governments representative of the majority.

We believe this is no time for increasing but, rather, arresting and eliminating great power deployment in the hitherto tension-free areas such as the Indian Ocean.

We welcome the negotiations between the United States and the Soviet Union on the limitations of strategic weapons and efforts to consolidate détente.

Faithful to the spirit of the United Nations Charter, India will always be on the side of the peaceful resolution of international disputes. We are determined to be true to the friendships which have served our national interests. We are equally convinced that in keeping with contemporary realities, we can widen and intensify our relations, to mutual advantage, with many countries.

In the final instance, peace will remain fragile if nuclear weapons, capable of such annihilative destruction, are kept and multiplied. We appreciate the concern and sincerity which you have expressed at these dangers and the efforts you are making to arrest the proliferation of nuclear weapons.

For our part, we have unilaterally abjured the development of such means of mass destruction. But, Mr. President, we hope that you will agree with the dangers of nuclear war, by accident or design, will remain, until such time as all nations, without arbitrary distinctions, join in a firm commitment for the progressive reduction and eventual elimination of nuclear weapons from all parts of the world. The challenge demands not just restraints from nuclear weapons but pledges by the nuclear "haves" to turn away from the use of this instrument of modern science for military purposes. But, in the meanwhile, must countries who have no nuclear weapons be inhibited from using nuclear science as an instrument for economic transformation? I would like to emphasize with a full sense of responsibility that India, for her part, will not indulge in the perverse use of nuclear science.

Mr. President, our bilateral cooperation has been rich in range and content. My government acknowledges the debt of gratitude we owe to the United States, which has provided us generous aid when we were in need. Your assistance has been an important factor in our development and in the progress towards the diversification of our economy.

Of all the many-sided links between us, I would particularly like to recall that students and technologists trained in American institutions have, on return, grafted their acquired knowledge and skills to our national development.

Multifaceted and beneficial as has been our bilateral relationship, the range and sophistication has a wide scope for further development. It is for these reasons that we believe that the Indo-U.S. Joint Commission and its three subcommissions merit fuller encouragement and support.

The real cement of our relations goes beyond politics, economics, and technology. It is in the values and emotional involvement of our people. Both for Americans and India, man's communion with God, tolerance and compassion towards his fellow beings are respected as the highest virtues.

The present revulsion from the tensions of modern life and its unending search for material comforts has, we notice, led to a new burst of interest in our spiritual and philosophic heritage.

On another plane, many volunteers—like your esteemed mother—have built bonds of kinship between individuals and families across the oceans. This deep commitment to things of the mind and spirit, the sustained exchanges in the field of art, education, and culture, along with personal relationships, make for strong but invisible bonds which are only possible between open societies.

Mr. President, the rich texture of our relationship should make it immune to misunderstanding and distrust in the future. The quality of our friendship is such that no nation which cherishes international peace and cooperation need fear its potential and suspect it of malevolence.

With shared faith and complementary objectives, Mr. President, the word could go forth from this ancient capital that the friendship between our two large democracies, one rich and powerful and the other underdeveloped but resurgent, is to serve the hopes and aspirations of all mankind and that our objectives are not only relevant now but will remain valid through time.

Our vision must be of a world which would safeguard nations in their diversity and where man may achieve social justice, dignity, and fulfillment.

It is with a sense of historic significance on this occasion that I ask you, ladies and

gentlemen, to raise your glasses to the health of the President of the United States of America and Mrs. Carter, to the high ideas and enlightened interests which bind India and the United States.

To your health.

PRESIDENT CARTER. *President Reddy and Prime Minister Desai, great leaders of the government of India, beautiful women and friends who have made our visit here so enjoyable and productive:*

This afternoon in your Parliament I spelled out in quite a lengthy speech the details about relationships which we have as a mutual interest. So, this evening in my brief remarks I would like to comment in a more personal way.

Today was fulfilled in my life a long ambition to visit the memorial to Mahatma Gandhi. As I stood there I thought about India and about my own country and about the personal feelings that all of us share as we come to an ancient land which in recent years, with the birth of your hopes and dreams for freedom, has been an inspiration to us all.

This morning your Prime Minister gave me a book that he had written analyzing the Bhagavad-Gita. One passage from that great book stood out in my mind. I can't quote it exactly, Mr. Prime Minister, and I can't interpret it well, but it said when a country is flooded, the reservoirs become superfluous. Sri Krishna went on to explain what he meant in this message, that when one's heart is filled completely with an awareness of our love for God, the other considerations in life are incidental. And one need not worry about the outcome of an action, but should worry on a momentary basis about the purposes and the attitudes and one's relation to the eternal.

There is no way to describe in overall terms my feeling about India. So I will have to describe my thoughts in specifics.

My first impression on leaving Air Force One, my plane, was the extreme friendship exhibited to me by the leaders who are assembled at this table. It was a remarkable expression of deference and respect on your part for the country I represent. When all your ministers, many of the members of your Parliament, and the diplomatic corps came to meet us, and the beautiful words that you expressed, Mr. President, to me then, will always be cherished in my heart.

On the drive into the city from the airport, the overwhelming welcome that I received from the hundreds of thousands of Indian citizens assembled on the side of the road was indeed a remarkable experience for me. There was a genuine expression of happiness and good will and friendship on their faces, and their raised hands and smiles made me feel, indeed, that I was welcome.

I also had a sense of belonging. I didn't feel that I was in an alien land. I think the reason for this is that my family has grown to respect and to love India in the last 10 years. When my mother was 68 years old, she became a member of the Peace Corps and requested that she be sent to India. She is a registered nurse, and she worked in a small clinic in a village of Vikhroli, just north of Bombay. One of the reasons that she requested India—perhaps the most important reason—was her awareness of what your nation represents as expressed by the commitment and the courage and the humility of Mahatma Gandhi.

So, our family, although this is my first visit, has felt a part of your life. When your former great President Ahmed died, I had just become President of our country. And my mother and my son, who has the same name as I, came to represent the United States during that sorrowful time. So I felt a sense of belonging this afternoon.

In the presence of the members of your Parliament, the welcome that I received there, the attention that was given to my words, a sense of political ties was very strong. Again, I felt that I was in a place which shared commitments and not in a strange place where the form of government was unknown to me; a sense of democracy, a sense that everyone in that assembly hall indeed represented the people of India was something very similar to a person who has served in the government in our own country as well.

I had a thought this morning, too, about the beauty of India, as I stood at the memorial to Gandhi. This is a lovely time of year. And the flowers are bursting forth. I walked for an hour or so this afternoon in the Mortal Garden outside this palace and was impressed by the quietness and a sense of peace, and even in your busy streets and alongside the highways there is a sense of inward beauty among the people, a sense of inward peace in their hearts, and also outward beauty in your buildings, in your trees, and in your flowers.

I also felt a common purpose with you in the principles which we all represent: freedom of speech, a free press, a right to criticize, a right to disagree, open debate, issues thoroughly discussed, changes welcomed, even in a nation which is ancient in its customs and in its traditions.

We share a common measurement of greatness, not power or pomp or ceremony or uniforms or outward show of greatness, but we recognize that greatness is present when the least of those in our nations are treated well and cared for, when their afflictions are eased, and when they have food and education and a healthy life.

I also, Mr. President, shared your words a few moments ago in a hunger for peace, not only in individuals but as a nation and as leaders in the world.

India sets a moral standard for many of us to emulate. And the judgment that is spoken by the leaders of your country makes a great impact on those of us who sometimes have been criticized. We think twice before we incur the disapproval of India and your leaders, because we realize that your standards of morality and justice are very deeply felt.

You have an ability to bridge the gap between those who have a developed society, and you understand in personal terms the hungers and the needs and the yearnings and the unmet aspirations of those who live in nations which are still developing.

The last thing I would like to say is that there has been somewhat of a circle of influence between our country and yours. I'm very proud of my Nation, although most of my words have been in praise of your own. I have read some of the works of Mahatma Gandhi, and I know that he was greatly impressed by our poet Ralph Waldo Emerson and by a man who loved God's world, Henry David Thoreau. I brought your Prime Minister a gift of the collected works of Thoreau because of Gandhi's respect for him.

And when Gandhi learned even more and gave his life in the cause for which he stood, many of our own people learned from him and were inspired by him.

This afternoon, I just mentioned one of our leaders, Martin Luther King, Jr., who studied the works of Gandhi and adopted nonviolence and the force of truth as the essence of his own beliefs. And although he never carried a weapon and never struck another human being, but turned his face when he was beaten and suffered many times in jails, he remembered the teachings of Gandhi.

So, from our country to you, and from you back to our country, there is a circle of learning, a circle of mutual trust, a cir-

cle of friendship, a circle of respect, and also a circle of shared responsibilities and shared commitments.

The quality of our life is not yet what we would hope. We have many things to learn. We have many grievances to redress. We have many degrees of freedom still left to enhance. We are far short of our dream of peace. But in a democratic society like our own, when the yearnings of every person can make an impact upon the decisions of the leaders, there is always a sure sense that progress will be ever upward.

I would like to propose a toast on behalf of my own Nation and the American citizens who are here tonight, Mr. President: To President Reddy, to Mrs. Reddy, to the distinguished leaders of India, to the great people of India, and to peace throughout the world.

NOTE: The exchange began at 8:55 p.m. in Ashoka Hall at the Rashtrapati Bhavan.

## New Delhi, India

### *Remarks on Signing the Delhi Declaration. January 3, 1978*

Prime Minister Desai has read a joint declaration which he and I drafted together. At the heart of the friendship between India and the United States is our determination that the moral values of our people must also guide the actions of the states, the governments.

Both our nations were the conscious creation of men and women who believed that spiritual principles could find political expression. Gandhi and Nehru, Washington and Jefferson, the thousands—and actually millions—who worked with them, those whom they led,



were all determined to present a shining new example to the world.

The United States gave the world an illustration of a new form of government, with a new relation between the citizen and the state—a relation in which the state exists to serve the citizen, and not the citizen to serve the state.

India experimented with creating political unity from overwhelming human diversity, enabling people of different cultures and languages and religions to work together, both in independence and also in freedom. Yours is an experiment whose success the world is celebrating anew.

The declaration that we have just signed, or will sign, commits to paper what has long been written in our hearts. It proclaims our belief that each individual has inalienable rights, our commitment to justice among nations and within societies, and our determination that disputes must be resolved without violence, especially in this age when nuclear weapons threaten the total destruction of humankind. Above all else, we affirm that states, like individuals, bear moral responsibilities for their acts.

Yesterday, before your Parliament, I said that whatever the differences between our nations, we are moving along the path toward a common goal of human development and human rights.

As I prepare to leave India, reluctantly, today, I'm thankful to know that with this declaration we have taken another step toward that path of friendship and mutual commitment.

Thank you, Mr. Prime Minister.

NOTE: The President spoke at 10:43 a.m. in Ashoka Hall at the Rashtrapati Bhavan.

Earlier in the morning, President and Mrs. Carter visited the farming village of Daulatabad Nasirabad, which was officially renamed Carterpuri (Carter Place) in honor of their visit.

## New Delhi, India

*Text of the Delhi Declaration.  
January 3, 1978*

India and the United States of America, despite differences of history and culture, are one in the recognition that the ultimate sanction of power and of public policy rests in the respect for the dignity and well-being of the individual. Regardless of race, sex, religion or social status, every human being is entitled to life and liberty, to freedom from want and, without threat or coercion, to freedom of expression and worship.

We share an unwavering faith in the democratic form of government, which guarantees to all citizens fundamental freedoms under law and the right to choose their representatives and determine their own future.

At the same time, we believe that a cooperative and stable world order depends on the right of each people to determine its own form of government and each nation its own political, social and economic policies.

We are gratified that the process of decolonization has democratized the international state-system, giving most nations for the first time an opportunity to participate in making decisions relating to international peace and cooperation.

The disparities in economic strength that exist among nations must be bridged and a more equitable international economic order fashioned if we are to secure international peace.

We recognize that broad economic development is essential for a modern state, but also that such progress is hollow if its benefits do not reach all the people.

The present-day world commands scientific and technological skills to enrich the quality of life and give greater social

justice within and among nations. We call on an inter-dependent community of nations to work together to protect and nurture the common heritage of our planet's resources and environment.

We declare that war is not an acceptable means to settle political disputes. Our countries will do their utmost to resolve disputes with others amicably and, within the framework of the United Nations, to help in resolving the disputes of others.

The spectre of war has hung over the world for too long. Existing stockpiles of nuclear weapons must be reduced and eventually eliminated, and the danger of proliferation of nuclear weapons must be arrested. Further, every effort must be made progressively to reduce conventional arms and to redirect the productive forces so released to the betterment of mankind. We commit ourselves to work towards these ends.

Beyond the realms of politics and economics, the world today affords opportunities for freer and fuller intellectual and scientific exchanges. Freedom of ideas and the promotion of cultural and artistic interplay, in a world where the mind is without fear, can create an environment where tolerance and understanding can flourish.

Beyond the traditional ideas of statecraft, Indians and Americans recognize an obligation to themselves and to others that ends can never justify evil means. Nations, like individuals, are morally responsible for their actions.

New Delhi: January 3, 1978

JIMMY CARTER

*President of the United States of America*

MORARJI DESAI

*Prime Minister of India*

NOTE: The text of the declaration was released at New Delhi, India.

## Riyadh, Saudi Arabia

*Remarks of the President and King Khalid bin Abd al-Aziz Al-Sa'ud at the Welcoming Ceremony. January 3, 1978*

THE KING. Mr. President, I welcome Your Excellency in our country as a great friend, and I thank you for your efforts to find a just and lasting solution for the problem of the Middle East. I wish Your Excellency a pleasant stay in this friendly country and success in your trip and commendable endeavors.

Thank you.

THE PRESIDENT. *Alsalamu elkum.* Peace be unto you. The primary purpose of my trip and this visit is peace.

The first meeting between the leaders of Saudi Arabia and the United States of America was when President Franklin Roosevelt came to the Gulf of Suez to meet with King Abd al-Aziz. This friendship has now grown to encompass the millions of people in our two nations. We work together now, and we plan together for the future. The ties which bind us together are strong and unbreakable.

Although our time here is all too brief, I have already learned much from Crown Prince Fahd, Prince Saud, and other leaders from Saudi Arabia who have recently visited me in my own country. Now I am glad to meet with Your Majesty for close consultation on matters of great mutual interest to our people.

As Your Majesty has already said, a most important subject which will be discussed is the early achievement of a just and lasting peace in the Middle East.

I recall the traditional Arabic welcome, *Ahlan wa sahlan*. It is beautiful and simple. And my understanding is that it means, "You are among your own people, and your steps will be unhindered." Seeing the generosity of this welcome, I feel

that I am among my own people and know that my steps will not be hindered, because I walk the same path as Your Majesty, King Khalid, toward a common goal of even greater friendship among our people, between our two countries, and of peace for all the people of the world.

Your Majesty, we are glad to be in your great country.

Thank you very much.

NOTE: The exchange began at 4:17 p.m. at Riyadh Airport. King Khalid spoke in Arabic, and his remarks were translated by an interpreter.

Following the arrival ceremony, the President met with King Khalid at the Royal Guest Palace.

Later that evening, the President attended a working dinner at the King's Palace. Following the dinner, he met with Crown Prince Fahd bin Abd al-Aziz Al Sa'ud, the First Deputy Prime Minister, at the Royal Guest Palace.

## Aswan, Egypt

*Remarks of the President and President Anwar al-Sadat Following Their Meeting. January 4, 1978*

PRESIDENT SADAT. Ladies and gentlemen, morning.

I want to tell you that it is a very happy occasion for me and for my people, also, to receive our dear friend, President Carter, here on the Egyptian land. We would have liked that this visit would have lasted a bit longer, but we know his commitments.

We had a very intensive and fruitful talk upon the whole arena—in particular, the conflict here in the Middle East and the whole international position and our bilateral relations. I am very happy to say that our views were identical, and we have agreed upon certain steps to keep the momentum of the peace process.

All I ask is let us have in a very short time the opportunity to welcome President Carter and to show him the gratitude of my people and myself.

In the same time, may I say that in the peace process we welcome all the parties concerned. And they are welcome whenever they find it convenient to them, because this time, as I have already repeated before, we are heading towards peace and real peace in the area, permanent peace.

Thank you.

PRESIDENT CARTER. *President Sadat, people of Egypt:*

It is an honor and a pleasure for us to be in this great country, led by such a strong and courageous man.

Mr. President, your bold initiative in seeking peace has aroused the admiration of the entire world. One of my most valued possessions is the warm, personal relationship which binds me and President Sadat together and which exemplifies the friendship and the common purpose of the people of Egypt and the people of the United States of America.

The Egyptian-Israeli peace initiative must succeed, while still guarding the sacred and historic principles held by the nations who have suffered so much in this region. There is no good reason why accommodation cannot be reached.

In my own private discussions with both Arab and Israeli leaders, I have been deeply impressed by the unanimous desire for peace. My presence here today is a direct result of the courageous initiative which President Sadat undertook in his recent trip to Jerusalem.

The negotiating process will continue in the near future. We fully support this effort, and we intend to play an active role in the work of the political committee of Cairo, which will soon reconvene in Jerusalem.

We believe that there are certain principles, fundamentally, which must be observed before a just and a comprehensive peace can be achieved. First, true peace must be based on normal relations among the parties to the peace. Peace means more than just an end to belligerency. Second, there must be withdrawal by Israel from territories occupied in 1967 and agreement on secure and recognized borders for all parties in the context of normal and peaceful relations in accordance with United Nations Resolutions 242 and 338. And third, there must be a resolution of the Palestinian problem in all its aspects. The problem must recognize the legitimate rights of the Palestinian people and enable the Palestinians to participate in the determination of their own future.

Some flexibility is always needed to ensure successful negotiations and the resolution of conflicting views. We know that the mark of greatness among leaders is to consider carefully the views of others and the greater benefits that can result among the people of all nations which can come from a successful search for peace.

Mr. President, our consultations this morning have reconfirmed our common commitment to the fundamentals which will, with God's help, make 1978 the year for permanent peace in the Middle East.

Thank you very much.

NOTE: The exchange began at 10:15 a.m. at Aswan Airport.

Following their remarks, the President boarded Air Force One for the flight to Paris. During the flight, he telephoned Israeli Prime Minister Menahem Begin to discuss the talks held with President Sadat and other leaders concerning the Middle East.

## Paris, France

*Remarks at the Welcoming Ceremony.  
January 4, 1978*

THE PRESIDENT. *Mr. President, distinguished members of the French Government, people of France:*

I am delighted to be here in Paris, the Queen of Cities, and to make my second visit to France, whose intellectual and cultural parentage of the United States has been exceeded only by the nation whose language I now speak.

I have had the privilege of meeting with President Giscard d'Estaing in London and of welcoming Prime Minister Barre to the White House this past year. Their advice and knowledge, especially on international, political, and economic matters of concern to both our nations, has been very helpful.

As your President said, the relationship between our people is special and rare because it has largely been an alliance of ideals. Two hundred years ago, leaders in both our nations helped each other to a definition of a revolutionary principle—that citizens possess certain natural rights which stood higher than the claims of power of any state.

In their time, the Declaration of the Rights of Man and the Declaration of Independence turned the world upside down, and they are still the bedrock of our own democratic systems of government and of the demands for human rights, which is being heard with increasing intensity throughout the world.

But our alliance has embodied more than ideals. Americans will forever remember the crucial assistance which Lafayette and the French nation gave us during those painful and dangerous days of our own national birth. It was with the same spirit of common purpose that

Americans came to the Normandy beaches and to the Marne to join France in preserving your liberty and, thereby, our own.

Now we are again allied in a search for answers to difficult questions that concern us both. President Giscard d'Estaing and I will discuss ensuring the stability and growth of the international economy and working for economic justice within our own societies and among the nations of the world, maintaining the defense of our Western nations, while constantly searching for peace in troubled areas such as the Middle East, for constantly improved relations with the Soviet Union and Eastern Europe, and for reductions in the level of all kinds of armaments everywhere in the world, addressing other issues which no nation can afford to ignore, especially the world's energy problems, and continuing the struggle for basic human rights, which our two nations proclaimed 200 years ago.

The statue in the harbor of New York that symbolizes our own liberty, like many of the ideas which first inspired our own demands for freedom, came as a gift from the people of France.

Our approaches to specific questions may not always be the same, but our deep respect for the independence and leadership of France and our affection for your people have remained strong for more than 200 years. I hope and believe that in the future the ties between France and the United States of America will grow even stronger.

Mr. President, we are delighted to be here in your great country with your great people.

NOTE: The President spoke at 3:20 p.m. at Orly International Airport in response to welcoming remarks by President Valéry Giscard d'Estaing.

Following the ceremony, the President and President Giscard d'Estaing motorcaded to the Arc de Triomphe, where they participated in a

wreathlaying ceremony at the Tomb of the Unknown Soldier. They then proceeded to Elysee Palace for meetings.

## Paris, France

*Remarks at the Palais des Congres.*

*January 4, 1978*

*Mr. Foreign Minister, presidents of the organizations who daily work to ensure friendship between our two countries, ladies and gentlemen of France and the United States who have come this evening:*

This afternoon I laid a wreath, along with the President of France, on the grave of the soldier who commemorated the bravery of the French people. And standing on my left was a group of men in the same regiment who fought with George Washington at Yorktown 200 years ago.

When our democracy was born, France was there. And for more than 200 years, our two nations have shared the same ideals and the same culture.

There is one belief above all others that has made us what we are. This is the belief that the rights of the individual inherently stand higher than the claims or demands of the state. This is the message that the American and French peoples, each in turn, carried forward to the world two centuries ago, and these are the values which the world still depends upon us to affirm.

Democracy was then a new and an untried concept. Now it is a standard for our Western civilization. The American Declaration of Independence inspired so greatly by French philosophy, spoke of the unalienable rights of persons, of life and liberty and the pursuit of happiness. These rights were controversial then, and now they are the measure by which the

faithfulness of governments is tested. Democracy is indeed a compelling idea, an idea so attractive that even its enemies now attempt to cloak repression with false democratic labels.

But our democratic order has come under challenge. There are those who question whether democratic values are appropriate for contemporary circumstances. Voices in the developing world ask whether notions of free speech, personal liberty, freely chosen governments should not be pushed aside in the struggle to overcome poverty. Voices in the industrialized world ask whether democracy equips us for the frenzied pace of change in our own modern lives.

We've heard warnings that a democratic society cannot impose on itself the restraint and self-discipline which is necessary to cope with persistent economic problems. We've heard that the disparate elements of our societies cannot cohere in a democratic system. Governments everywhere have begun to seem remote and impersonal, incompetent. Many people question whether any government can hear their distant and solitary voices.

These problems are real, and we must admit their existence. But we must also bear the burden that democratic society imposes on those like us who are part of it. That is to proclaim our unshaken faith in the values of our democratic nations and our belief that those values are still relevant—to the rich and the poor, the North and South, East and West, as constant now as they were when our forebears signed the Declaration of Independence and your forebears proclaimed the Declaration of the Rights of Man.

We defend these values because they are right, because there is no higher purpose for the state than to preserve these rights for its citizens. But we defend them also in the faith that there is no con-

tradiction between preserving our democratic values on the one hand and meeting challenges which face our modern societies.

It's precisely when democracy is up against difficult challenges that its leaders must show firmness in resisting the temptation of finding solutions in nondemocratic forces.

This week, in India, I discussed our belief that only through respect for individual liberties can developing nations achieve their full economic and political potential. That is our faith. And India, the world's largest democracy—they are proving that it is still true.

Here in France we meet as industrialized powers to affirm that our confidence in a democratic future for these developed societies is equally strong.

Democracy is not merely right and just. It's also the system that is the most consistent with human nature. It's the most effective way to organize society for the common good.

Where the state dominates everything, only the narrow talents of the bureaucrat are free to flower. But the pluralistic society that exists within a democracy allows for a broad range to succeed—in government, in the arts, in labor, in technology, in the sciences, and in the marketplace as well.

Democracy unleashes the innate creative energy of each of us. We need look no further back than the last three decades to see unparalleled success. These years have been extraordinary in the time for France, for Western Europe, the United States, and other democratic nations.

France and its partners in Western Europe rose from the destruction and the turmoil of World War II to build economies and societies more thriving and pro-

ductive than ever before and to regain positions of world leadership very rapidly.

Never have so many new jobs and so much new wealth been created or so much change in people's lives been managed so effectively and yet with so much freedom.

All of this is no accident. Nations with other political systems, in spite of their great human and natural resources, have not done as well.

And democracy protects us also against the excesses of modernization. It helps us constantly to reduce the rising complexity of modern life to human terms. At a time when the computer makes total state control more possible than ever—processing people like numbers—democracy stands guard, protecting the uniqueness of the individual.

This is why the great trend of emigration is from those states which deny basic rights to their people and toward the free nations of the West. That's why India, under the greatest trial and tension, has reaffirmed its commitment to rule by the people, and that's why Portugal and Spain and Greece have rejoined the ranks of Europe's democratic nations.

We do not fear the challenges which test our chosen form of government.

But today we need a new agenda for democracy.

The first task on this agenda is to devise ways in which government and social institutions can better and more quickly respond to the higher standards of leadership and service which are now being demanded by our people.

It's a time of testing. Already the varied experiments are underway, according to the unique traditions and needs of each individual country. In Western Europe successful sharing of the fruits of economic growth at all levels has provided a way to help in society overcoming mounting social problems.

In France you are making a young constitution work in balancing authority between the executive and the legislature.

In some countries, like Germany and Scandinavia, there are continuing experiments in new forms of interrelationship between labor and management.

The member nations of the European Community are planning to hold direct elections among the nations for the European Parliament.

In my own Nation, we are trying to reduce government regulation in areas better left to private enterprise or to the individuals.

And in several nations, including some of our own, there is emphasis on strengthening the role of local government, on decentralizing power, and on working through voluntary associations to meet particular problems and needs.

In these and other ways we can make government more responsive, accountable, and also closer to the people, fostering a renewed sense of confidence in our national and in our local communities.

We can also find new answers to the old problems of combining freedom with responsibility. As President Giscard d'Estaing wrote in his book, "Towards a New Democracy," "The pluralism of power guarantees freedom. . . . Democratic progress does not result in disorder, but in a better balance of order within freedom and responsibility."

The second item on the new agenda for democracy is the economic challenge. We must not only restore growth, control inflation, and reduce unemployment; we must also demonstrate that our democratic economic system can adapt to the demands that are constantly changing and placed upon it. This means proving again that we have the self-discipline to pursue our future, no less than our current interests, so that contending do-

mestic groups will not produce chaos and discord, but a new harmony of effort for the common good.

It means increasing our efforts to ensure that the fruits of economic growth reach all parts of society, so that each individual will share in the benefits of economic progress. And it means using our resources to promote human development—not just growth for its own sake.

Our democratic economies now have unprecedented strength to meet this challenge. We have skilled work forces. We have productive plants and equipment, effective management, and the will and the means to cooperate closely with one another—both within nations and also among nations.

And in the free market we have a means of matching production to human needs that is swifter and more subtle than any computer, more sensitive to society's requirements than any state committee.

My country is able and willing to join with its partners in building on that strength, to put the global economy on the path to growth and to rising prosperity.

America's efforts will be directed toward maintaining the strength of the dollar, continuing steady progress against unemployment and inflation, and stimulating private investment.

This year we will cut taxes substantially for both business and consumers, and we'll take these steps primarily because they are in our own interests, but also because we recognize the importance of continued noninflationary recovery in the United States to the economies of the rest of the world.

We are working with our economic partners also in the Geneva trade negotiations to reach rapid agreement that will improve the open trading system, expand commerce, and create new jobs.

And following the French example, we are hard at work on a comprehensive energy program which will lessen our imports of foreign oil, reduce undue dependence, and cut the deficit in our balance of trade.

France and America and the other industrial democracies are emerging from the economic recession of recent years. Some of us can turn our attention at once to noninflationary growth, like the United States. Others must first take painful measures simply to reduce inflation. As more nations are able to pursue higher growth, our economies will create more jobs, and unemployment will go down.

Confidence in steady growth will reduce pressures for trade restrictions, protectionism, make it easier for us to adapt to changes within our societies, help us to make more efficient use of energy, and make it easier for countries with payments surpluses to open their markets to developed and developing nations alike.

But there are also many other economic needs today. The economic institutions that served us well in the past need to be strengthened. We must reach a better understanding of basic economic forces so that we can solve the problems simultaneously of inflation and unemployment. We've not yet been able to do this.

We must devote much greater effort to further advances in high technology to help all our nations compete effectively in tomorrow's markets.

We must develop new and productive industries and services so that we can moderate the impact on our peoples of change imposed by increased global competition for jobs and markets that's sure to come. And we must solve the problem of youth unemployment. Unless we do,



an entire generation could be estranged from our democratic societies.

We must take steps to avoid exporting our economic difficulties to other nations, whether rich or poor. And we must use the tools of shared freedom to increase the choices and opportunities of our economic system. We can share our experience in social development, in education, health care, social services, and the organization and management of farms and factories.

At the heart of all these efforts is continued cooperation along with our other economic partners in such ways as the economic summits, which were first proposed by France. This cooperation should recognize the individuality of each nation, while acknowledging that our economic well-being will rise or fall together.

The third task on the new agenda for democracy is to provide for our mutual security.

I come to France today recognizing that our two nations share a basic commitment to preserve our hard-won freedom. We are able, with our allies, to keep our freedom precisely because we are militarily strong.

Our central security system today and our central problem is maintaining our will to keep the military strength we need, while seeking at the same time every opportunity to build a better peace. Military power without détente may lead to conflict, but détente would be impossible without the NATO alliance and popular support for a strong defense.

Both France and America prove that the peoples of a democracy can and will support these joint goals of constant strength and also a commitment to peace. The commitment of the American Government and the American people to the security of Europe is absolute. There should be no doubt that we will maintain in Europe whatever forces are needed

to meet that commitment. We are also grateful that France maintains and improves its forces that are essential for defense.

But we also see the need to move beyond confrontation, to resolve the differences between East and West, and to progress toward arms control and disarmament.

We are determined to seek balanced and mutual limits on both qualitative and quantitative deployment of nuclear weapons, and then substantial reductions, leading to the eventual elimination of nuclear weapons as a potential destructive force among the nations of the world.

We are determined to seek early agreement on a comprehensive ban of the testing of all nuclear explosives, both military weapons and also the so-called peaceful nuclear devices. And we are determined to seek a substantial reduction of the international commerce in conventional weapons.

We'll work with other nations to achieve the advantages which such agreements can bring. While the approaches of France and the United States to these issues may sometimes differ, our desire to build a more stable peace is one and the same. And in all these efforts, we will consult and cooperate closely with you and with our other allies, recognizing the independence of each nation but also our mutual interests and our mutual commitments.

The fourth task on democracy's new agenda is the effort of Europeans to shape your future. For the goal that you've set for yourselves, with your partners in the European Community, is nothing less than to transform—in an unprecedented fashion in history—and to improve relations among states with ancient traditions, unique histories, and legitimate pride in national achievement.

The United States will give its unequalled support to what you and your partners in the Nine are doing to strengthen European cooperation, for we see European strength and unity as a boon and not as a threat to us. The real threat to the interests of us all would be economic weakness and disunity.

The fifth and the final item on the new agenda for democracy is to cooperate among ourselves in adapting to global change. The same factors which led to our economic successes over the past two generations—science, technology, education, health, will, and wisdom of our people—have also altered the interrelationship between the industrial democracies on the one hand and the developing world on the other.

European nations, individually or together, also have an increasing role to play beyond this continent, particularly in reordering relations between North and South.

It was less than 100 years ago that the European powers met and divided the continent of Africa among you, and yet today colonialism has nearly ended. Before World War II, 80 percent of the world's land mass and 75 percent of its people were under Western authority, but today there are more than 100 new nations, each with insistent needs and insistent demands. A few years ago, the West made virtually all the decisions about the global economy, but now important resources are also under the control of the developing countries—as the energy crisis has made very clear. The councils of economic action can no longer be limited just to a few.

During this trip, I've seen how the developing nations are creating a new role for themselves in the world's economic system, redistributing global power, posing new global problems, and assuming new rights and new responsibilities.

We've long understood that greater individual equality can bring forth greater prosperity in our domestic societies. But now we also see how greater equality among nations can promote the health of the global economy, including our own. No nation, nor any small group of nations, can any longer shape its destiny alone.

In proposing the North-South conference, President Giscard spoke of creating new forms of international cooperation. What he said then stands as a watchword of all our efforts together, and I quote him again: "(This) should not constitute a victory for some countries over others, achieved by taking advantage of temporary power relationships. Rather it must be a victory of mankind over itself. . . ."

If we move in that spirit and direct our efforts together to solving the problems that face the nations of the world, then we shall surely gain that victory of which he spoke. We will vindicate our deep and abiding faith in the strength of democracy to grow and to develop with the times.

Six days ago, I left the United States on a tour whose constant theme has been the universal vitality of democracy. In Poland, Iran, Saudi Arabia, Egypt, India, and now in France, I've emphasized that our modern struggle is not only to establish peace but also to protect the individual from abuse by the state.

Tomorrow, with President Giscard d'Estaing, I will leave Paris and visit the beaches at Normandy. If the names Omaha, Utah, Juno, Gold, and Sword will always live in the memories of both our peoples, it's because they remind us at what cost our liberties have been purchased and what a precious heritage has been left for us to attend and to defend. These names remind us that liberty is not secured with just one defense but must

be struggled for again and again and again.

Our ancestors made their defense with principles and with revolution. People of my parents' generation, and of my own, bore arms in the name of freedom. Many of them were left at Normandy Beach and at the thousands of other shrines to liberty across the world.

Though we will always be prepared, we pray that their sacrifice in battle need never be repeated. And we know that war need not come again so long as we transmit our devotion to those values of free people, strengthened and renewed, to each succeeding generation that comes after us.

Thank you very much.

NOTE: The President spoke at 8:32 p.m. to members of French-American business, civic, and cultural societies. In his opening remarks, he referred to Louis de Guiringaud, Foreign Minister of France.

## Normandy, France

*Remarks of the President and President Giscard d'Estaing on Visiting the Site of the D-Day Landings. January 5, 1978*

PRESIDENT CARTER. President Giscard, friends of France and the United States of America join together in history in the present and in the future.

This morning I flew in a modern-day helicopter from our Armed Forces in Europe from Paris to these famous beaches, and on the trip I thought about the path which has brought us together today.

In June of 1940 General de Gaulle, the leader of the French Resistance forces, said, "The flame of the French Resistance must not and will not die." Four years later, on the 6th of June, 1944, the Allied forces came to the beaches known to us as Omaha, Utah, Juno, Gold, and Sword

to begin a heroic action leading to the liberation of Europe.

On that day, an unprecedented armada landed on the shores of Normandy. One hundred and seventy-six thousand brave troops came here from England to launch a tremendous attack. Within 2 weeks, more than 1½ million troops had moved into France and the other coastal countries.

Before me, beyond the flags of my country and that of France, there are more than 9,000 white marble crosses erected in memory of those who died near here. They served under great commanders—General Eisenhower, General Montgomery, General Bradley, General Theodore Roosevelt, Jr., who, because of his heroism, was awarded the Medal of Honor and later joined the French 2d Armored Division under General Leclerc.

The 1st and the 29th American Divisions were the ones who landed near here on the Omaha Beach. This was where the most fierce resistance was encountered. And of the roughly 2,500 who came ashore, about 2,000 died.

At one point, American rangers had to scale a vertical hundred-foot cliff while the Germans above rolled down grenades upon them.

On Omaha Beach, hundreds of our troops lay dead, and the sight was so impressive that because of that the German commanders thought, until it was too late for them, that the victory had been won by Germany.

But from Juno, Gold, and Sword, Allied forces moved forward and were eventually victorious, and then swept across Europe, restoring freedom here.

Almost two centuries before that, the French had come to our shores to help give Americans freedom, led by Lafayette, Comte d'Estaing, and many other courageous men.

About 30 years before the Normandy invasion, in the First World War, when American soldiers arrived in Europe, their first words as they stepped ashore were, "Lafayette, we are here."

In Europe now, there are about 30,000 American soldiers and marines who are buried in Europe from the First World War. Sixty thousand others are buried in Europe from the Second World War. More than 150,000 bodies of American dead were returned to our own country to be buried there who lost their lives in the defense of freedom in Europe.

We are determined, with our noble allies here, that Europe's freedom will never again be endangered. We now have about 200,000 Americans, fighting men, in Europe to make sure that this threat is never before us again.

General Donaldson<sup>1</sup> told me that this is the first time that two Presidents have ever been together in a memorial to those who gave their lives in the past. But I believe that this is symbolic of the unshakable bonds which history has seen bind together American people and the heroic people of France.

We are proud for what we have done together. We are sure that our friendship will be everlasting. And it is indeed a great honor for me, as President of the United States, to come here to pay homage to the brave men and women of the past who have ensured our precious freedom today.

PRESIDENT GISCARD D'ESTAING. Mr. President, like all young Frenchmen of my age, on June 6 I heard the news of the landings over the radio. That news spread like wildfire across Paris—"They have landed." "They" were the Ameri-

cans, the British, the Canadians, and the French, who, on five beaches, had come to give us back hope and freedom.

You can imagine our impatience and our pride. The fight was a harsh one. Here at Omaha, General Bradley's 1st American Army lost 3,000 men in the first few hours. It was only after 8 hours struggle that veterans of the 1st American Division managed to reach the top of the cliff.

Everyone knows Colonel Taylor's command—"The only people who are on the beach are those who are dead and those who are about to die—we must move."

All this France remembers. She expresses her gratitude to those who fell for her freedom, to their families, and all their friends.

Today, our two peoples join together in their deep-lying will for peace, but also in their dedication to liberty—that liberty which for us is the most precious of all possessions, which we will never renounce and which would justify, if by misfortune it became necessary, the greatest of all sacrifices. That is why we are ready to work in the pursuit of peace with all those who want freedom to spread throughout the world.

NOTE: The exchange began at 11:32 a.m. at the Normandy American Cemetery and Memorial.

## Normandy, France

*Remarks at the Bayeux Town Hall.  
January 5, 1978*

*Mr. President, Honorable Mayor, distinguished and very friendly citizens of Bayeux:*

It is a great honor and privilege for me, as President of the United States, to

<sup>1</sup> Brig. Gen. John W. Donaldson, Officer in Charge, European Office, American Battle Monuments Commission.

come here to extend to you the friendship of the people who love France as they love their own Nation.

On the automobile which President Giscard has provided for me to use in France, one of the license plates has a number 1776, the date of the Declaration of Independence of our country. The other license plate is 1789, the date of the Declaration of [the Rights of] Man of the French.

Our time of liberty began together with the alliance of freedom, which has persisted through 200 years, and it is a precious possession of the people of our Nation to be bound in brotherhood and sisterhood with the men and women of your great country, France.

I also remember, as a young man in the United States Navy, June 6, 1944, when 5,000 ships left the shores of England to move toward the shores of Normandy.

Three thousand of those ships disembarked, over a 2-week period, more than 1½ million Allied troops—the turning point in the war which ultimately brought freedom to you and to us.

This morning I flew past your city and then down the beaches in a helicopter to observe the area which demonstrated the heroism of the Allies in those discouraging times. I witnessed the Omaha Beach area where 2,000 Americans lost their lives on the first day—a site of tragedy, of heroism, but of victory.

Omaha has one meaning, but Bayeux has a different but related meaning. Here, during the dark days of the occupation, you never lost your commitment to liberty and to complete freedom. And I am very proud to come to your village, which is known by Americans of this day because it was the first city liberated by Allied forces.

In the American cemeteries in Europe, almost a hundred thousand bodies lie, a symbol of our mutual dedication to the principles which have bound us together for more than two centuries.

Presently in Europe there are 200,000 American troops equally dedicated to those same principles of independence and freedom. We feel as a deep political and emotional feeling in our hearts the ties which have bound, do now bind, and always will bind together the people of France and the United States of America. This is a treasured possession of ours, one which is among the most important feelings and commitments of the American people.

I am very grateful of the heroism and the dedication of the people of France, who have for many years since the birth of our own Nation been an inspiration to us. I believe the world recognizes our military strength, which is of great importance, but also recognizes our mutual commitment to unchanging principles which are equally binding and of as great importance as military strength.

Let me say this morning that I am very grateful for your hospitality, your welcome to us, and a renewal of those commitments that have given you freedom, have given us freedom, and will guarantee the symbol of freedom throughout the world in the years ahead.

Thank you again for your warm welcome, which has lifted my heart. And I believe that the people in our own country who watch this ceremony and this tremendous gathering on television and who listen to the news will have their own spirits raised along with yours to the close ties that bind together the United States of America and the great Republic of France.

Thank you very much.

NOTE: The President spoke at 1:15 p.m. at the Hotel de Ville. In his opening remarks, he

referred to Jean-Louis Le Carpentier, mayor of Bayeux.

Following the remarks, President Carter and President Giscard d'Estaing boarded a train at Bayeux for the return trip to Paris. During the trip, they held a working luncheon and a meeting.

## Versailles, France

*Toast at the State Dinner. January 5, 1978*

*Mr. President and Mrs. Giscard d'Estaing, distinguished leaders of France, friends who have made our brief visit here so inspirational and so enjoyable:*

We have said many times since arriving in France how closely related our nations have been since the origins of our republics. In addition to the heroism shown by warriors who fought together in times of conflict and trial, we also had intimate relations that existed between the early leaders of our country and the leaders and the people of France.

Two of our earliest Presidents served here during their tutelage for leadership, Thomas Jefferson and John Adams. Benjamin Franklin, another great leader of our country, served here as Ambassador of the United States in its formative stage. Unbeknown to the Continental Congress and other national leaders, Benjamin Franklin was also an Ambassador from my own State of Georgia. We paid him, secretly, \$15 a month. [*Laughter*] I understand he did our work at night, along with many other interesting things. [*Laughter*]

Benjamin Franklin made a very interesting statement during the time he was Ambassador here which I would like to read. "God grant that not only the love of liberty but a thorough knowledge of the rights of man may pervade all the nations of the earth so that a philosopher may set his foot anywhere on its surface and say

'This is my country.' " The interesting thing is that he said this, "a thorough knowledge of the rights of man," years before the Declaration of the Rights of Man.

As President Giscard d'Estaing has already said, the first treaty of independence between Great Britain and the United States was signed here at Versailles. And President Wilson came back here in 1919, at this very place, to sign the Treaty of Versailles, establishing again both peace and a worldwide commitment to freedom and liberty.

It is difficult, perhaps, for citizens of France to know or to comprehend the deep feeling of brotherhood, mutual purpose, and appreciation held in the hearts of Americans for what your nation has done for us.

In the early years of our young nation, Lafayette was still a great hero in our country. In my own State of Georgia, he traveled widely, visiting the cities of Augusta, Sparta, Milledgeville, Savannah, and we even know that he visited a small Indian village between Georgia and Alabama very close to where I live. We have both a city and a county in my own State named after Lafayette.

The Declaration of Independence and the Declaration of the Rights of Man initiated the startling concept throughout the world of basic human rights. Since I've been here, President Giscard d'Estaing and I have discussed some of the aspects that go with the definition of human rights. One of the most important is that of worldwide peace.

Another is economic benefit, which guarantees free people a chance for food, shelter, health, education, and a chance for their spirits to grow.

Another is to strengthen the ties of friendship, such as those which exist be-

tween the people of France and the people of the United States of America.

Another is to exhibit bravery, not through coercion but voluntarily for a worthy cause. We honored this type of bravery today near the beaches of Normandy.

Another characteristic, of course, is the appreciation of beauty. And today we've had a reaffirmation of our consciousness of the beauty that pervades the nation of France—not only the countryside through which we traveled, but this palace, the home that your President has permitted us to use for these two nights. And this afternoon, we had a chance to see the beauty of your artists whom we admire so much in our own country.

If France and the United States, bound so closely together now, can continue to exhibit the bravery and the commitment which we have shown in the past, then human rights will be the historical inevitability of our times.

On behalf of the people of America, I would like, therefore, to propose a toast to President Giscard, to the people and the greatness of France.

NOTE: The President spoke at 9:42 p.m. at the Grand Trianon in response to a toast by President Giscard d'Estaing.

Prior to the President's remarks, he attended a reception at the Grand Trianon, where he met with various French political leaders.

Following the dinner, the President and President Giscard d'Estaing went to the Chateau de Versailles for a reception.

## Paris, France

### *Remarks of the President and President Giscard d'Estaing at the Departure Ceremony, January 6, 1978*

PRESIDENT CARTER. On this departure from the great nation of France, it is difficult for me to express how deep the emotions have been in me and among the

American people for the extraordinary hospitality that has been extended to us on this all too brief visit.

The many reminders of the historical alliance and the mutuality of heritage between our country and France, the common demonstrations of bravery of our fighting people who have defended liberty have been overwhelming in the depth of emotion engendered in all of us.

The personal welcome given to us by President Giscard d'Estaing and his wife, the Ministers of the French Government, have been equaled, even though this has been very difficult, by the spontaneous and genuine expressions of friendship among people at Normandy, at Bayeux, on the streets of Paris, and last evening at Versailles.

The open demonstration of mutual commitment for the future of the ideals and principles of our two nations has indeed been reassuring to us and, I believe, even to the rest of the world. And I want to express my personal thanks to your great President and to the wonderful people of France.

PRESIDENT GISCARD D'ESTAING. Just a word, Mr. President, to say that our conversations we had during your visit were exceptionally cordial and open and have taken place in full respect of the views of the other. Perhaps for the first time in conversations of this sort, neither of the partners, in fact, at either time tried to alter or change the policy of the other, but on the contrary, tried to seek out those elements in common which can be pursued together.

I would say that it was a particularly warm welcome that you received from the people of France, and those who know the people of France would agree it was exceptionally cordial and warm.

There is, of course, the effect of the longstanding friendship between our two

countries, but there is also the favorable judgment in the eyes of the people of France for the generous action that you have undertaken. Your desire for idealism in the international responsibilities of your country is something which is very akin to the views and feelings of the French people. And I am quite convinced that, thanks to our conversations and our meetings, we will be able to work fruitfully together for the understanding and peace and progress of the world.

NOTE: The exchange began at 10:35 a.m. at Orly International Airport.

Earlier in the day, the President met with President Giscard d'Estaing at Elysee Palace.

As printed above, this item follows the text of the White House press release.

## Brussels, Belgium

***Remarks of the President and King Baudouin I at the Welcoming Ceremony. January 6, 1978***

THE KING. Mr. President, with great joy I am welcoming you and Mrs. Carter to Belgium for the first time in your capacity as President of the United States of America. You have, of course, visited our country before as the Governor of your home State.

This is the final stage of your long but rapid tour of four continents just at the beginning of the year 1978, which you have described as of capital importance. The many conversations you have had during the tour bear witness to your heavy responsibilities in the construction of a freer and more peaceful world. The list of countries on your program is by itself evidence of your concern for drawing international relations closer and for solving the problems that are causing the greatest difficulties at the present time.

Your stay in Brussels, the headquarters of the Atlantic Alliance and the seat of the European Communities, obviously reflects your desire further to confirm your

friendship and cooperation with the member countries of those organizations.

By taking your inspiration from the essential human values which, as you have said, make life worth living, you have promoted a universal awareness of the importance of human rights. You are responding to the great challenges of our time, whether political or economic, national or worldwide, with courage and determination.

Two months ago you received Mr. Tindemans and Mr. Simonet<sup>1</sup> at Washington in their two-fold capacities as members of the Belgian Government and spokesmen for the European Communities. The discussions held in your Capital City have greatly encouraged us, since they led to the conclusion that, in spite of the difficulties caused by the world prices, you remained opposed to the easy way out, namely, protectionism.

Mr. President, Mrs. Carter, welcome to Belgium. May your all too brief presence here be fruitful.

THE PRESIDENT. *Your Majesties, people of the great nation of Belgium:*

I am delighted to be back in your great country to renew my friendship with Prime Minister Tindemans and to have an opportunity to meet with Your Royal Highness, King Baudouin, and Queen Fabiola.

Brussels was the first city which Vice President Mondale visited when he toured the nations of our traditional allies just 1 year ago, and now it is the last stop that I will make before I return to the United States.

First and last, our purpose has been the same—to reaffirm in times of rapid change our unchanging faith in allies like your great country and people.

<sup>1</sup> Leo Tindemans, Belgian Prime Minister and President of the Council of the European Communities, and Henri Simonet, Belgian Foreign Minister and Deputy Chairman of the Commission of the European Communities.



This has been a diverse journey for us, but I have talked about simple, constant themes. One is the demand for political liberties, for basic human rights. On this question, Belgium and the United States have never differed. For these values we have fought together in war, and we have always worked together in peace.

The other universal theme is a need to resolve conflict without violence, to make peace instead of war. Throughout this century, Belgium has paid a heavy price for other nations' failure to keep the peace. Now, Brussels is the home of institutions such as the European Community, and NATO represents our shared hope for a secure and peaceful and a prosperous future.

Brussels is a beautiful city, as my wife and I will remember, which is one of the discouraging aspects of this visit—that it is all too brief. I feel, however, that the warmth of your own personal welcome is a consolation, and I look forward to seeing more of your land and your people when Rosalynn and I are able to return.

Your Majesty, thank you for this warm welcome. We are indeed grateful for a chance to be back with you and the people of your country.

NOTE: The exchange began at 11:50 a.m. at Zaventem Airport.

## Brussels, Belgium

*Toasts of the President and King Baudouin I at a State Luncheon. January 6, 1978*

THE KING. Ladies and gentlemen, I ask you to raise your glasses to the health of the President of the United States and of Mrs. Carter.

Mr. President, Mrs. Carter, we were really very happy to have you both here,

for too little time, and we wish you a happy return home and, if possible, a peaceful rest during the weekend.

May God give you the strength and light to continue your work for peace and more justice.

THE PRESIDENT. Your Majesties and distinguished leaders of the Government of Belgium and the international organizations that have come here because of the deep commitments of Belgium and your people to the principles of freedom, strength through voluntary commitment and international organization, because of common beliefs and common purpose, those of us from the United States are very pleased to be again in your great country.

Rosalynn and I came here before when I was a Governor. In order to demonstrate to the world the importance of myself and my State, I called a press conference. And only two people came. [Laughter]

Today the importance of our relationship is demonstrated by the great welcome that you've given us and the interests of the press and the rest of the world in the presence of American officials here with the European Community, with NATO, and also with the Government of Belgium. Then, as now, my trip is too brief and is devoted to work of an official nature.

I would love to be able to have celebrated the 400th birthday of Rubens with you and to travel around your beautiful country to see not only your people but also the works of art and the origin of the culture, much of which we have inherited in our own country.

Yesterday, I was thrilled to visit, with President Giscard d'Estaing, the shores of Normandy, where in just 24 hours 176,000 forces landed to restore the freedom of Europe and, at the same time, on an

equivalent and equal basis, to guarantee the freedom of the people of the United States. We considered that to be both a joint effort and also that the results of the victory in Europe to be of equal benefit to us along with you. But it did demonstrate vividly the close ties that bind us together. And I am very thankful that you have welcomed us with such hospitality.

Your Majesties, I would like to propose on behalf of the people of the United States a toast to you and Queen Fabiola, to the distinguished Prime Minister and the officials of Belgium, to the great international organizations represented here, to the people of your great country, and to peace throughout the world.

NOTE: The exchange began at 1:50 p.m. in La Grande Galerie at the Royal Palace.

Prior to the luncheon, the President met at the Royal Palace with King Baudouin I and Prime Minister Léo Tindemans.

## Brussels, Belgium

*Text of Remarks at a Meeting of the Commission of the European Communities. January 6, 1978*

*Mr. President, and members of the Commission:*

I am glad to meet with you today and to continue the discussions that began when my administration was only a few hours old. Before my first week in office was over, Vice President Mondale began his visit to our traditional allies, stopping first of all in Brussels, home of those international institutions that represent our shared hope for a secure and prosperous future.

As the first American President to visit the headquarters of the European Community, I believe this meeting symbolizes America's abiding commitment to a

strong and united Europe and to the European Community.

It has been my pleasure to meet often with the Community's leaders. In addition to meeting President Jenkins, both at the London Economic Summit and in Washington, I benefited from meeting with Prime Ministers Callaghan and Tindemans during their countries' term in the presidency of the Council.

As I have traveled in these last 9 days, crossing continents and cultures, discussing different systems of politics and economics, seeing humanity in its full, diverse array, I have reaffirmed certain constant themes time after time. I have stressed the importance of democratic political values, and the steps needed to defend them; the economic challenges we face in our relations with the developing world, and the need to cope with problems of our own. We must also open our hearts to improve the chances for peace, while always maintaining the strong right arm of our defense.

I have repeated these themes because they need repetition, because they express to the world the values my Nation most deeply holds.

I am proud today to add another—that the United States welcomes a strong, united Europe as a common force for the values our peoples share.

The United States will do its part to work with you.

Our economy is prosperous and growing, continuing its steady recovery. Because we have confidence in the fundamental strength of our economy, we have confidence in the fundamental strength of the dollar, now and for the future. But we are also aware of the degree to which our own prosperity depends more than ever on international economic cooperation.

We are prepared to work with the Community in a wide variety of ways, in order:

- to promote the economic growth of nations so as to control inflation, reduce unemployment, and achieve monetary stability;
- to reach a rapid and successful conclusion to the multilateral trade negotiations, and thus to expand international trade, create more jobs in all countries, and help us all resist protectionist pressures;
- to work creatively toward mutually beneficial relations with the developing nations;
- to cooperate in providing a role for nuclear technology in meeting our energy needs, without hazarding our children's future through the threat of nuclear proliferation; and
- to find answers together to social and economic problems facing each of our societies.

As I said in Paris 2 days ago, we must use the tools of shared freedom to increase the choices and opportunities in our economic system.

We can share our experience in social development—in education, health care, social services, the organization and management of factory and farm.

As the world's largest trading unit, the Community shares with us a clear interest in a successful conclusion to the multilateral trade negotiations. They are progressing well, though much remains to be done.

I welcome the success of the participating nations in reaching the goal set last May in London: substantial progress by the end of 1977. What has been achieved already should enable the negotiations to end this year. Speed is important if these negotiations are to improve the world

trading system and remove pressure for protectionism.

We need a broad package of agreements, with major reductions in tariffs and nontariff barriers, and with provisions for agriculture.

We know that each country will face problems of transition to a freer trading system. But those are a small price to pay for the benefits of more open trade. And they are small, too, in comparison to the danger of protectionism if we fail to reach a comprehensive agreement.

Our nations also share concern for developing comprehensive energy programs. Two months ago, I postponed my visit here to Brussels in order to do everything possible to enact an energy program in the United States. My country must waste less energy and develop alternative sources of supply. As soon as I return, I will resume work on this crucial legislation.

I am confident that the United States will soon be setting an example for responsible energy policy.

The European Community and the United States also share a deep interest in promoting relations with developing countries, and our cooperation has led to constructive results.

We must continue to work together to draw these countries more fully into the global economy. They too must be able to share more equitably in the benefits and responsibilities of global economic progress and to play an appropriate role in making global economic decisions.

We in the United States also welcome the growing political and economic role of the Community beyond Western Europe. The role of the Community contributes vitally to reaching goals we share. Most recently, I have been particularly pleased by the close cooperation between us—and by the firm leadership shown by

the members of the Community—at the Belgrade Review Conference on Security and Cooperation in Europe.

Finally, in stressing our commitment to European unity, I look forward to continuing a close and productive association between the United States and the European Community in the years ahead. And I can think of no more fitting tribute to what you are doing than to cite the words of Jean Monnet, the father of European unity: “You are not making a coalition of states; you are uniting peoples.”

NOTE: The meeting began at approximately 3 p.m. in the Community Conference Room at the Commission’s headquarters. Prior to the meeting, the President met with Roy Jenkins, President of the Commission.

The text of the remarks was released at Brussels, Belgium.

## Brussels, Belgium

*Text of Remarks at a Meeting of the North Atlantic Council. January 6, 1978*

*Mr. Secretary General, General Haig, and members of the Council:*

I am happy to meet again with the North Atlantic Council, after our successful discussions in London last May.

I come to see you at the end of a journey which has taken me to seven nations and which, from beginning to end, has reminded me of the causes for which our alliance was formed.

At every point on this journey, in East and West, in nations trying to cope with their poverty and those adjusting to the consequences of material wealth, I have emphasized the vitality of democratic rule, individual freedoms, human rights.

We in this hall understand those values well. Without them, the West stands for nothing at all. And we also know, too

often from personal experience, the cost the defense of these liberties can demand.

Yesterday, I walked with President Giscard d’Estaing along the beaches of Normandy—as I might also have walked in Anzio, in Verdun, or here in Belgium in Flanders Field. If those names fill us simultaneously with mourning and with pride, it is because they remind us of the price that has been paid for our freedom before, the price we hope never to have to pay again.

No one who recalls those sacrifices can wish them ever to be repeated. The ancient soil of Europe bears constant, visible evidence of the carnage that war inevitably brings. In Warsaw, I saw brave people who have rebuilt much of the graceful city that war took from them; but what is new only emphasizes how much of the old was lost. Here in Belgium, too often the battlefield of Europe, every family knows of friends, homes, dreams that have been crushed by war.

That is the challenge for our alliance: to defend our values fearlessly, while tirelessly working to prevent war.

We know that the path to lasting peace depends on human understandings, negotiated agreements, acts of good will; the brave initiatives in the Middle East shine a ray of hope onto all international efforts. But we are united in believing that our defense must always be strong enough to deter any thoughts of aggression—that we must be prepared for combat we always hope to avoid.

When I met with the leaders of the alliance in London this past May, I was impressed with the allies’ seriousness of purpose and by our common determination to prepare NATO for the challenges of the next decade.

At that meeting, we agreed to embark on four major efforts:

- short-term measures to meet immediate military problems;
- a long-term defense program, surveying NATO's requirements in 10 specific areas;
- an East-West study to gain better understanding of trends in Eastern Europe and the Soviet Union, an overall assesment of Warsaw Pact power, and the implications for the NATO alliance; and
- intensified effort to improve cooperation in defense procurement.

We have already taken major steps in all four areas. I was pleased by reports of the recent ministerial meeting of the Defense Planning Committee and the North Atlantic Council, and I look forward to the transatlantic dialog on defense trade that the Independent European Program Group has proposed.

Together, we are setting the NATO alliance on a course that will reaffirm our shared commitment to peace, to a strong and vital alliance, and to meeting any challenge to our strength and cohesion in the years ahead.

The leaders of the alliance will have the opportunity to review the results of our efforts in a summit-level NATO conference this spring. I am happy to renew my invitation to the alliance to hold that meeting in Washington on May 30 and 31.

The defense budget that I will be submitting to the Congress later this month will provide for real increases in United States defense spending, more than compensating for the effects of inflation. Even more important, a major part of this effort will respond directly to our objectives in the long-term defense program, and will improve the United States military commitment to the alliance.

The number of United States soldiers in Europe will increase by more than

8,000 in the next year and a half, and we will substantially improve our reinforcement capability.

We have made these efforts in the name of the alliance. We hope that with a far-reaching, realistic, long-term defense program, the alliance as a whole will match or exceed the improvements which we ourselves are now undertaking.

The United States will continue to maintain—undiminished—its firm commitment to NATO and will continue to provide the forces needed to back up that commitment.

We will continue to subscribe to the doctrine, strategy, and policies of the alliance, including forward defense and flexible response.

We will work with you to maintain deterrence across the entire spectrum of strategic, theater nuclear, and conventional forces, so that the Warsaw Pact states will know that all of us are united in commitment to defense of all the territories of NATO members.

There will be no flagging of American will or ability to meet all of our NATO commitments, which have the firm support of the American people.

There are other responsibilities facing the alliance.

We have set an excellent record of consulting with one another on a wide range of issues. That can and should continue, and the United States will increasingly draw the NATO allies into its counsels.

As SALT II proceeds towards an agreement, which we hope will come soon, we will intensify our consultations with all of you, recognizing that the Council is the focus of our deliberations. As we move beyond SALT II, we will undertake broad discussions here on all allied security issues.

We must approach these issues together, as an alliance, and judge each

question in the context of our overall security requirements for the next decade.

We must assure that our force planning and arms control strategies serve the same purpose. In seeking to reduce tensions and to build a more stable peace, the alliance should continue to give high priority to the mutual and balanced force reduction talks in Vienna.

We believe our negotiating proposals would lead to a more stable military situation in Central Europe, with lower force levels on both sides.

We in the alliance are prepared to be flexible in seeking progress toward a balanced outcome that protects our interests. But serious interest in moving the talks forward cannot be one sided. We look for an equal commitment and contribution toward progress in the talks from the Warsaw Pact states.

Lastly, as allies, we must continue to promote our strength in other areas—economic, political, social, moral. It is precisely when the challenge to democracy is greatest that our leaders must most firmly resist nondemocratic solutions.

I have every confidence that the nations of the alliance, and NATO itself, will be more than equal to these tasks.

I return to the United States confident of the prospects for a peaceful world which respects human rights; I know that the security of our alliance is the rock on which that hope is built.

NOTE: The meeting began at approximately 4:35 p.m. in the Conference Room at NATO Headquarters.

During his visit to the Headquarters, the President met with Joseph M. A. H. Luns, Secretary General of NATO, and Gen. Alexander M. Haig, Jr., Supreme Allied Commander of Europe.

The text of the remarks was released at Brussels, Belgium.

## Brussels, Belgium

*Remarks Following the Meeting of the North Atlantic Council. January 6, 1978*

SECRETARY GENERAL LUNS. Ladies and gentlemen, the President.

THE PRESIDENT. That's one of the briefest speeches that you've ever made, Secretary General Luns. And I want to say almost equally briefly that the NATO alliance is one that's precious to the American people. Our involvement in it is supported almost unanimously in our country.

I've been deeply gratified at the resurgence of commitment and tangible support for NATO military strength among all the members of the alliance. I gave them a detailed report about the progress that we are making in our negotiations with the Soviet Union on a wide range of subjects.

We want to understand the East-West relationship and to alleviate any potential tensions. Our commitment is not to war, it's to peace. We believe that the best way to preserve peace and to preserve those ideals and commitments, human rights of the Western allies is dependent upon the military capability which we exhibit. I pointed out to them the suffering that has taken place in Europe by our forces and those of our other allies in previous wars, and the fact that we never want to see this happen again, and that a close support and a constant commitment to mutual defense is the best way to prevent additional war.

I gave the ambassadors, the Secretary General, and the military officials an up-

to-date account of my own visit, a report on progress that has already taken place and might take place in the Middle East. We covered the economic strength of our own country, the close ties that bind us together not only militarily but politically and economically.

We had a question-and-answer session where several of the ambassadors pointed out to me particular points of interest to the United States, and I responded to their comments as well. It was a very fruitful exchange, and in less than 2 hours we covered these ranges of interest which have been important to all.

At the end I told our allies who were represented there that we have nothing to conceal from them; they are partners in every sense of the word. And we have had our Secretary of Defense, our Secretary of State, the Vice President—just a few hours after I became President—and now myself come here to the NATO Headquarters to let our allies know that the alliance is indeed intimate and one that's unconstrained and, if any question in the future ever arises about SALT negotiations, tactical weapons, budget plans, soundness of the dollar, that they only need to contact me directly, if necessary, and they'll get an immediate answer.

I think any concerns have been alleviated, and I leave here with a great sense of trust and a great sense of appreciation for not only the strength of the alliance in the past, the ties that have bound us together philosophically and politically and morally, but also with a sense of assurance about the future.

Thank you very much.

NOTE: The President spoke at 5:40 p.m. in the main hallway at NATO Headquarters.

## The President's Overseas Trip

*Remarks on Arrival at the White House.  
January 6, 1978*

THE VICE PRESIDENT. Mr. President, we're delighted to welcome you and Rosalynn back to the Nation's Capital as you return this evening from this most successful and inspiring trip. We're delighted to wish you a Happy New Year in person for the first time this year, and we're delighted that because of this trip, 1978 is beginning on the best possible basis.

This trip was of tremendous importance and was a great success for our Nation in many ways. First of all, it permitted the President to deepen and broaden the friendship and the sense of understanding and cooperation between himself and the leaders of the great nations that he visited.

Just as importantly, it deepened and broadened the friendship of the American people with the peoples of those nations. And the love and the affection that was so apparent as we watched you meet and walk amongst the peoples of those nations showed the great love and affection around the world that exists for our Nation and its leaders.

This visit also permitted you to work on some very important problems, and the one that comes to mind immediately is the Middle East, where your visits arrived at the most important moment when, during these historical developments, you were able to meet with the leaders of Iran, Saudi Arabia, and of course, Mr. Sadat in Aswan, to help keep the momentum toward peace in the Middle East. Your conversation with Prime Minister Begin also contributed to that crucial process.

But perhaps most importantly your visit and each stop on that visit demon-

strated the profound, the complete and the total commitment of this administration and of its President to the pursuit of human rights, of human justice and liberty. Those values most basic to the American people are also most basic to our foreign policy.

When you left, Mr. President, you asked those of us who stayed behind to take care of things. These have been 9 successful days in the history of our country. *[Laughter]* And we're proud of it. We have avoided war. We have continued Government services with no increase in taxes. The Congress have not turned down a single suggestion during these past 9 days. I've matured a lot. I've aged a year since you left, and Amy's now an accomplished skier. *[Laughter]*

Welcome home. We're delighted to have you and Rosalynn back with us. Thank you.

THE PRESIDENT. Maybe I should have stayed gone longer. *[Laughter]*

A week and a half ago when I stood right here on this spot I mentioned some words in anticipation of our trip that are significant: rapid change, diversity among the peoples of the world, American leadership, liberty, freedom, friendship, human rights. And now after going to these nations, I have a much more sure sense of what those words really mean. I won't go into detail now because we don't have time. But there are a few vivid memories that illustrate my own emotions as I return to my land which I love so much.

The visit to Warsaw, the Warsaw Pact nation on the other side of the Iron Curtain, which is now being opened, I hope, for good. Paying tribute to those who were killed there—there were 4 million Jews in Poland before the war; now there are less than a hundred thousand. Warsaw had 1.2 million people; 800,000 of them were killed. Six million Poles died.

Twenty million Russians died in the Second World War.

And I have a much surer sense now that the Communist nations who sometimes we look upon as adversaries want to avoid war and to have peace just as much as we do. And we need to make every effort to search out compatibilities and to understand one another and to communicate easily and well.

I was deeply impressed by India, the largest democracy on Earth, 700 million people perhaps. I visited Gandhi's tomb, where his body was cremated, and thought about how that man with no army, no television, no political organization, no home, was able to transform that country by walking by himself from one village to another just because he had an ideal that didn't change and because he wanted the Indian people to have a right to worship and to choose their own leaders.

And we visited a small village like the one my mother lived in for 2 years, a village of poverty. The people who live there don't make as much income in a year as the average American worker makes in a week. But we were received with open arms, and it was a natural outburst of friendship and appreciation, even there, for what our country stands for.

Then I visited King Hussein and King Khalid and the Shah of Iran, and then stopped in Aswan. And as I stepped off the plane I embraced with a deep sense of affection one of the bravest men on Earth, Anwar Sadat.

And then came back to France, and yesterday, I believe, was one of the best days of my whole life, the outpouring of friendship that existed on the streets of Paris for us, for our country, the people in the small village of Bayeux, the first town liberated when the freedom forces moved back into Europe. And to stand



in Normandy Beach, on the site of the loss of 2,000 American lives in just a few hours in Omaha, and to see a tremendous American flag and a tremendous French tri-color flag flying over the graves of over 9,300 Americans who died for the liberty of France and Europe and for our own freedom was a great experience for me.

So, I've learned a lot. We were received with open arms and friendship, even among nations who in the past have been kind of cool toward us, and I was able to see very clearly what the United States of America means to those people around the world.

When we are clean and decent they are pleased. When we are honest they are relieved. When we are strong they're protected, and when we extend the hand of friendship they respond with an open heart.

I was proud of the friendship we received and the friendship we left behind us, but at all times I was even more proud of the people that I represent.

NOTE: The exchange began at 9:14 p.m. on the South Lawn of the White House.

## The President's Overseas Trip

***Question-and-Answer Session With Reporters on Board Air Force One en Route to the United States. January 6, 1978***

THE PRESIDENT. I think I will answer your questions for a while.

### ACCOMPLISHMENTS ON THE TRIP

Q. Starting out, Mr. President, would you give us your assessment of the trip and what you think you accomplished?

THE PRESIDENT. Well, I wanted to project the image of a nation that stands for what is right and decent and good, strengthen the concept of democracy,

both in the developing and the developed nations, try to make progress on resolving the Middle Eastern dispute. And one thing that evolved everywhere I went was an expression of interest or concern on the part of the foreign leaders about how we were going to address the energy question.

Additionally, of course, I wanted to strengthen, if possible, the friendship in varying degrees that existed originally between our own Nation and the other countries that we visited.

I had never been before to India or the Middle East—or the countries that we went to in the Middle East. These were the four or five things that I had in mind. I think we did a fairly good job.

Q. I know that's what you intended to do, but do you think you accomplished those? What, in particular, do you think you have accomplished?

THE PRESIDENT. Well, there is no doubt that the friendship between ourselves and Poland, ourselves and India, ourselves and Saudi Arabia, ourselves and Iran, ourselves and Egypt, ourselves and France and Belgium were enhanced. And this was accomplished.

I believe that we made some progress in the Middle East. So far as I know, there are no differences that separate us from Sadat, for instance. We reemphasized the same basic principles that we proposed 6 or 8 months ago to the Arab and the Israeli leaders. In this respect, the trip was successful.

I made two or three major speeches, too: one on democracy as it relates to the developing nations in the world under changing circumstances; the other one, democracy as it relates to the developed or industrialized nations in the world in changing circumstances. It's hard to say whether the speech has made any impact or not.

I think we also put forward the image of a nation that is strong and secure and self-confident, but which doesn't have to prove our strength by taking advantage of other nations that are not so strong or forceful or secure as are we.

The personal relationships that I evolved between myself and the foreign leaders was very gratifying.

I would say the most emotional day was yesterday with the visit to Normandy and the reception—

Q. That was beautiful.

THE PRESIDENT.—of the people in Bayeux and the response of the French people along the streets of Paris and the tremendous crush of people that showed up last night at the Palais de Versailles. It was a very deeply moving experience.

JODY POWELL. Let me interrupt for a minute. Does anybody need a "shooter?"

THE PRESIDENT. Does anybody care for a drink. That's the question.

MR. POWELL. Let the record show that six reporters were offered a chance for a drink, and they all turned it down. [Laughter]

THE PRESIDENT. That's news. [Laughter]

#### VIEWS ON THE TRIP

Q. At a couple of points you looked sort of tired to us, but many of us were completely exhausted. And what I'd like to know is how you stood up physically and how it affected you in the changing time zones, whether or not in retrospect you may feel that the itinerary was a little too hectic and if in future foreign trips you might tell your staff to go a little easier on you when they plan a trip?

THE PRESIDENT. Well, I'll be honest with you. Today is the first day I've been tired. The rest of the trip I felt quite rested and relaxed and didn't feel hurried. I actually got more sleep per night

than I would ordinarily get in Washington. And generally I get up at either 5, 5:30, or 6 o'clock in the morning. I slept later than I ordinarily did. Last night we stayed up pretty late, about an hour later than anticipated. Today was really the first day I felt tired at all. And that was at the NATO meeting.

I think that one of the major considerations—and you can keep this on the record if you want to—is how the rest of the entourage, including the press, are affected by the trip. I'm always taken care of. When I get to the final place, 20 minutes after I make a major speech, I can go to bed and sleep until the next morning. You all have to file your stories and get up and be ready for me to emerge the following morning. I think that that factor is one that we will consider in the future.

Q. Do you think, sir, that there were a couple of gaffes—I guess it's the word?

THE PRESIDENT. Yes. There were.

Q. In the Polish translation, the open mike in New Delhi—did that cause you any problems in dealing with the leaders, or will it cause any permanent problem in relations with these countries?

THE PRESIDENT. Well, both were inadvertent, of course. Gierek, I thought, made a very fine statement afterwards. He said, "In Poland we don't criticize women or translators." [Laughter] That happened the first time I met Gierek, and afterwards we had a very fine personal relationship. He never commented on it except just to smile and say, "Well, it was kind of ancient Polish and had a Russian influence." But I don't think it had any lasting effect.

And I have read the news reports of the statements of the Indian leaders after we left, and I think, perhaps, without trying to be overly optimistic, that it kind of helped me and Desai both. I was very

forceful about our nonproliferation program, pointed out to him very frankly and bluntly that the Congress was likely to pass stringent requirements on fuel supplies in the future, with my approval. And I wanted him to know at least 18 months ahead of time that it would affect India.

And he and I made a joke of it several times after that in a perfectly easy way. And after we departed, their reports to the press were that it was a very constructive visit.

I think it showed Desai was, as I referred to him, adamant in the Indian position. We tried to evolve some solution to this potential conflict about international safeguards on production of nuclear power versus an adequate supply of fuel. One possibility that we will explore is that if we and the Soviets, the British, can conclude a comprehensive test ban, that this would be an adequate new factor to permit Desai to accept comprehensive safeguards without having to violate the principles of autonomy or independence.

But I regret that the open mike thing occurred. I can't mislead you about that. Between me and Desai, it was always a matter of humor and good reception. I think anybody that observed me and him closely saw that there was a genuine feeling of mutual respect.

Q. Let me just follow up here.

THE PRESIDENT. Please do. But it was a mistake.

Q. Yes, sir, it was probably a mistake, but was it a mistake because of the way the press operates or was it a mistake on your part?

THE PRESIDENT. It was a mistake on my part. I should have said "a very frank and factual letter" and not "a blunt and cold letter." But what I was trying to talk about to Cy Vance—obviously I had nothing of ill feeling toward Desai—what

I was talking about was it was a cold, technical subject, and it ought to be described to the Indians in no uncertain terms so that they would know what to expect 18 months after the legislation takes place.

#### THE MIDDLE EAST

Q. Mr. President, I am intrigued that you—I don't want to belabor the Middle East episode, but it certainly did overshadow the trip in many ways; developments kept going—you say that—Sadat said that you have an identity of views, and you say that you don't seem to have any differences. Does that put you—and Sadat has differences with Begin—so where does that put you with Begin?

THE PRESIDENT. I read the news reports after my statement at Aswan, and Begin expressed approval of what I said. There is a fairly good agreement between Begin and Sadat on matters concerning the definition of peace.

Sadat told me that when he met in April with me in Washington and I outlined the three basic principles, one was complete peace between Egypt and Israel—open borders, diplomatic recognition, ambassadorial exchange, free trade, tourist and student and cultural exchanges. And he told me it would never happen in his lifetime, which he did—he told me that in April.

He told me the other morning in Aswan that he was completely wrong, that not only was he well accepted in Israel but he was a hero when he came back to Egypt, that when the Israeli negotiators came to Cairo, that they were embraced and the Egyptians wept. And he said to me, "My people were far ahead of me, and what you proposed in April that I thought was never possible has already proven to be possible." That's one aspect.

The withdrawal of Israeli forces from the West Bank, with minor exceptions on the western boundary, is a principle that we espoused back in February or March publicly. And I think this is still an acceptable approach to the Arabs, although publicly I wouldn't expect them to espouse it now because it violates, in effect, the statements in Rabat. They are able and, obviously, willing to speak for themselves. But this is something we've been very clear on.

The other question, the resolution of the Palestinian problem, I think, can be resolved with an interim solution for a joint administration. I don't want to be definitive about it, but possibilities including Israel, Jordan, the West Bank, Gaza Strip, Palestinians, perhaps the United Nations for a period of time, specifically outlined ahead of time, and then the right of the Palestinians to decide their own future between whether they should continue that kind of administration or affiliate with Jordan—those are the kinds of principles that we have described very clearly and in writing, beginning 8 months ago.

So, the details are going to be a problem. But on those expressions of principle, I don't know of any differences that separate me and Sadat.

Q. Do you call that self-determination?

THE PRESIDENT. Well, yes, I don't think it's—I have never thought and do not think that it's advisable for us, for the Middle Eastern countries, or for the world to have an independent Palestinian nation located between Israel and Jordan. I think they would be a target of subversion. I think there would be a concentrated influence, perhaps, exerted there by some of the more radical other leaders of the world. And I think that that Palestinian entity or homeland ought to be tied

in at the least in a very strong federation or confederation with Jordan.

But now I want to say that's our preference. And if Israel and Jordan and the Palestinians and Egypt should work out something different, we would not object. But that's our position. And we made it very clear from the very beginning of my administration to the Israelis and the Arabs that that's our preference.

#### ACCOMPLISHMENTS ON THE TRIP

Q. I was wondering, were there any unexpected gains or losses throughout the past 9 days?

THE PRESIDENT. Well, that's hard to describe. You know, I'm not an objective analyst. But I felt that the progress we made with India was extraordinary.

Q. In what specific area?

THE PRESIDENT. Well, under Mrs. Gandhi, there is no doubt that the orientation of India, which has been an historic friend of ours, has been away from us, perhaps toward the Soviets.

I felt like Desai and his government has at least come back to a completely neutral or nonaligned position. And there was a genuine feeling of compatibility and friendship, based on deep religious convictions, a commitment to democracy, the principle of human rights, that was very encouraging to me.

It was more than I had anticipated. I don't want to analyze it myself, but the French news media have said that we have never had better relationships with France in this past hundred years than we have right now. I feel very close to Giscard d'Estaing.

I think the French outpouring of emotion and friendship toward us and the tremendous crowds that evolved on the streets of Paris—Giscard d'Estaing said that's a very rare occasion.

The French are almost as blase about foreign visitors as are the people in Wash-

ington, because it's such a center for diplomatic visits. But I thought it was a very good expression of friendship.

And as I said earlier, I thought the community of memories, of history expressed on the beach near Omaha yesterday was something that you can't anticipate and you can't contrive. I thought it was really genuine. Well, those are a couple of things that impressed me.

Rosalynn's and Dr. Brzezinski's visit with Cardinal Wyszynski showed that there's a pluralism in the Polish society that is not frequently acknowledged in an eastern European country.

It's obvious that as far as the influence on the minds and hearts and future of the Polish people that there's a sharing between a great religious leader and the political leader.

And privately they expressed admiration for each other. And I think this is a good, kind of a pleasant surprise to know more about the nations behind the Iron Curtain.

I think the Curtain is being parted. I think it's a good step forward. We consummated an additional proper action today by returning the crown to Hungary.<sup>1</sup> We're not trying to drive a wedge between those Warsaw Pact nations and the Soviet Union. But we are trying to get them to look to us as friends who want peace, who recognize the horrible suffering that they've experienced, and who are building a basis for friendship and trade and mutual exchange.

We signed a nuclear agreement with the Iranians that will provide billions of dollars of trade for American industry, a

lot of jobs for American people, that won't violate at all our nonproliferation policies.

So, there were some things that we hadn't really laid down on the agenda ahead of time that occurred. But it's hard for me to be objective about it.

Q. What about any kind of negative aspects? Were you surprised by anything that didn't go as well as you thought it might have?

THE PRESIDENT. No. I can't think of anything. But perhaps you can.

#### VISIT TO POLAND

Q. As a follow on your discussions about Poland, I have two questions: One is why didn't you yourself see Cardinal Wyszynski, and did you make any efforts to suggest to Mr. Gierek that he should allow his dissident journalists into your press conference?

THE PRESIDENT. Yes. We requested that the press conference be open ahead of time. That's his country. He made that decision. And I made the decision to comment on it publicly. And he made the decision, I presume, for my comment to be published very freely in the Polish newspapers and also on the television that evening.

We extended an invitation to Cardinal Wyszynski to come and meet with me. But he said it was not proper for a cardinal to come to pay his respects to me. So, we thought it was a good solution there, at the last moment I might say, for Rosalynn to accompany Dr. Brzezinski, who had planned to see Cardinal Wyszynski all the time.

I wrote him a private message. He wrote me a little note, and it was a mutually beneficial thing. But I think the contact with him through Zbig and Rosalynn was adequate.

<sup>1</sup> The Crown of St. Stephen and other Hungarian coronation regalia were returned to the Hungarian people by a delegation headed by Secretary of State Cyrus R. Vance at a ceremony in Budapest on January 6.

## THE MIDDLE EAST

Q. Mr. President, can you be more specific—maybe you don't want to be—on what you mean when you say Palestinians have the right to participate in their own self-determination?

THE PRESIDENT. I don't really want to spell out in any more detail what the procedure ought to be. Dayan and Kamel<sup>2</sup> will be meeting in Jerusalem on the 15th of January. Cy Vance will be there. We'll offer our good offices.

My own preference is that the Israelis and Egyptians negotiate that interim procedure with a final referendum themselves. We'll try to find some compromise between them. I think if we can evolve an acceptable set of principles, then it would be much easier for King Hussein and, perhaps later on, the Syrians to join in the discussions. I did not try to convince Hussein to participate now.

I feel and he feels also that Sadat is adequately representing the Arab position. And I think Sadat, in an almost unique way, not only has the trust of his own people and the rest of the world but also, to a substantial degree, the trust of the Israeli citizens.

So, all of us feel for now until Sadat specifically requests it, that Hussein should stay out of the direct negotiations. The Shah will be supportive, the Saudis were very encouraging about the future, and Hussein and we agree completely.

And so, I think that the present posture is a good one. But exactly how the vote should be handled or when or what the options might be offered to the Palestinians, I don't want to say. I don't know.

Q. Can I also ask you, do you think that as a result of your visit there, that

Sadat's position with the hardline critics of the Arab world has been improved and that he's strengthened his hand as a result of this?

THE PRESIDENT. Well, I don't think I would be violating any confidence to say that all the Arab leaders with whom I met said they support Sadat unequivocally. Now, the feeling of Syria is something that I can't assess. I didn't happen to talk to Asad lately, but the feeling of Iraq and Libya and the more radical Arabs is obvious. They don't want peace to prevail. They don't want a settlement to be reached. They don't want the Geneva conference to be concluded. And many of them still have as a unique purpose the destruction of Israel.

I don't think that Asad or King Hussein or Sadat or the Saudis—the ones with whom I've talked—I don't think any of them feel that way. I think they all are perfectly willing to accept Israel now as a permanent entity in the Middle East, living in peace.

## HUMAN RIGHTS

Q. Mr. President, before we left, you said you were going to talk about human rights, and you certainly did, I think, just about every place we went.

THE PRESIDENT. Yes.

Q. But since we were in Poland, where you told us about Gierek's commitment to you on emigration rights, I don't think we had any specific information that any of the leaders have given to you any reaction to your own position. Is there anything specific? In particular I am thinking about Iran. Have there been any concessions that we haven't learned about?

THE PRESIDENT. No. Obviously, we don't seek concessions on human rights in Belgium or Egypt or France. In Iran, the

<sup>2</sup> Moshe Dayan, Foreign Minister of Israel, and Mohamed Ibrahim Kamel, Foreign Minister of Egypt.

Shah and I have had very all-encompassing discussions about human rights. I am not inclined to reveal the private conversations. But the basic question in Iran is the law that exists that outlaws the Communist Party and that outlaws communism are very similar to the laws that we have enforced in the past very rigidly. And this is the basis for the problem.

But the Shah is very deeply concerned about human rights, and I mentioned human rights in my statement in Iran. But we've seen in Iran, in many ways, the opening up of the rights of women, the welcoming of disparate religious and racial groups to Iran—a very fine movement forward, I would say, equivalent to what we've done in the last 20 years. (The last phrase refers specifically to movement on the rights of women and racial and religious minorities.)<sup>3</sup>

VIEWS ON THE TRIP

Q. Sir, if I could, I would like to get off the hard news for a minute here.

THE PRESIDENT. Good deal.

Q. And, really, I guess it's a two-part question. One is that you, in many of your talks and after the statements and things that you made, you mentioned the word "symbolism." You said, "This is a symbol" of various things.

THE PRESIDENT. Yes.

Q. I guess the first part is, was the trip partly symbolic? And the second is that you have stayed in the last 9 days in some of the most elaborate buildings in the world. [Laughter] Are you at all uncomfortable with where you have been and the service you've been given in staying at places—you didn't stay at Versailles, but being in places like Versailles—is that at all uncomfortable to you?

THE PRESIDENT. I'll have to be honest and say it was not uncomfortable. [Laughter]

MRS. CARTER. I enjoyed it.

THE PRESIDENT. It was obvious that every leader, beginning with Poland all the way through the stay in the palace in France, went out of their way to try to make me feel welcome and to give me not only friendship but show what their nation had to offer, historically and culturally and in the spirit of hospitality.

So, I enjoyed it. It was very fine, and we expressed our appreciation to them. I've already written thank-you notes to everybody, including our departure from Paris, and told them how much we appreciated it.

The trip was symbolic. It's a very sure and comforting feeling to represent what I consider to be the greatest nation on Earth. And we don't have any weakness that I feel that requires me to artificially prove our strength. We don't have any need that I feel that requires me to take advantage of someone else to meet our need. We don't have any feeling of superiority or domination over other nations with whom we visited. We genuinely treat them as equals, as partners, as people with whom we would like to be even closer friends in the future.

So, it was a trip that was symbolic of the power and influence and the good will of the United States. I tried to emphasize everywhere I went the concepts of morality and decency and goodness and friendship and human rights. So, I didn't feel under any sort of uncomfortable strain to prove something that I don't really think our Nation represents. It was symbolic to that degree. It symbolized what America is, what America wants to be.

<sup>3</sup> Printed in the White House press release.

## VISIT TO INDIA

Q. Do you think you would have liked to have been Viceroy of India? [*Laughter*]

THE PRESIDENT. I don't know. I tried to learn while I was in India what their feelings are toward the British. And my sense was that they have a genuine appreciation of what the British did, that the viceroys' administrations were in general very benevolent. There was no India before the British came. It was just a collection of a large number of independent states in all forms. The British brought the subcontinent together in unity.

After Gandhi's heroic and unbelievable crusade, the British left with good spirits. They turned over the power to Nehru on their departure.

And they were very proud to take me to a room, for instance, where no American or European has ever been. It's a beautiful portrait gallery, underneath the palace where we stayed, of all the British viceroys and other administrators who had been there and their wives. Every portrait is, I'd say, twice life-size. And it's very beautifully done, and it shows the respect that the Indians feel toward the British. So, I didn't have any yearning to be a viceroy. [*Laughter*] I'd rather be President. [*Laughter*] I think the British left with a good feeling among the Indians.

Q. This is a time for me to ask about the Indian village.

MR. POWELL. Let me first of all say that I would like one more question, in order to get it transcribed and get it back. This is the last question.

Q. I am very interested in what your impressions were of that Indian village and what your thoughts and feelings were, particularly when you touched that poor old blind lady sitting in the dust.

THE PRESIDENT. I felt just as much at home in that Indian village as I did in the palaces. It would be hard to describe my own anticipation of going to the village and the accuracy with which my mother has described the life of an Indian in a typical rural area which is very poor.

In a sense, I was representing my mother when I went there, because she went in and out of those small homes. She ran a clinic and administered to lepers and those who were dying and those who were outcast.

Without scheduling or without anybody knowing about it ahead of time, Desai and Rosalynn and I went into several of the homes. In fact, that home had no idea we were going in there, as you know. And I didn't feel like an alien there. I think those people don't realize the comparison between their lifestyle and that of other people. I don't think they were ashamed of their poverty.

They showed, at least to me—and my wife and I disagree to some degree on this—that between a better lifestyle under a totalitarian government and the right to own their own house and to work a half-acre of land and to keep their own children close to them and to make their own decision in a political election, that they had made their choice. The substantial vote—I think over 200 million people voted in this past year's election for Desai compared to Mrs. Gandhi—they showed a concern about the derogation of democracy in India. And, I don't know, those are just some mixed emotions, but that was one of the best parts of the Indian trip to me.

Q. I don't understand what it is that you and Mrs. Carter disagree on.

THE PRESIDENT. I'm not going to go into that.

Q. Okay. Maybe I just missed it.



HAMILTON JORDAN

Q. Mr. President, I know Jody said this is the last question, but I think all of us here would be remiss because of the rumors that have been going around, and I will ask this while Ham is standing in the door: There have been many rumors since Ham came to Riyadh that something is going on, that he is leaving, that he is not, that he is going to be chief of staff. You could hear everything in the world on this trip. I think it would do yourself and Ham and us a service if we could get some kind of statement from you about if anything is going on.

THE PRESIDENT. No, nothing is going on so far as I know. I don't want to corroborate what Jody said. [Laughter] Ham is the person in the White House that analyzes for me and with me the domestic, political considerations of both domestic and foreign policy. And the meeting with Sadat, when I didn't have a chance to go to see Begin—because he had just been to the United States and because Cy Vance is going to Jerusalem in 10 days—was kind of a sensitive political issue.

And I particularly wanted him to be there with us to make sure that there was an objectivity and a fairness between our unscheduled visit with Sadat and our responsibility to the Israelis to be fair as a mediator.

And that's why I wanted Ham to come over. But there is no change. Hamilton has no better relationship with me than he had before. [Laughter]

REPORTER. Thank you, sir.

THE PRESIDENT. I enjoyed it. Thank you.

NOTE: The question-and-answer session was held during the flight from Brussels, Belgium, to Andrews Air Force Base, Md. The transcript was released on January 7.

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### January 1

During his visit to Iran, the President met with King Hussein I of Jordan at the Saadabad Palace in Tehran.

### January 5

During his visit to France, the President met with Emile Van Lennep, Secretary General of the Organization for Economic Cooperation and Development, at the Marigny Residence in Paris.

### January 6

While in Paris, the President held separate meetings at the residence of the U.S. Ambassador to France with François Mitterrand, leader of the Socialist Party, and Robert Fabre, leader of the Left Radical Movement.

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## NOMINATIONS SUBMITTED TO THE SENATE

NOTE: The Congress having adjourned *sine die* on Thursday, December 15, 1977, no nominations were submitted during the period covered by this issue.

*Administration of Jimmy Carter, 1978*

**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released January 1, 1978**

News conference: on the President's meeting with Prime Minister Desai of India—by Jagat Mehta, Indian Foreign Secretary, S. V. Purushottam, Chief Spokesman of the Government of India, and Jody Powell, Press Secretary to the President

**Released January 2, 1978**

Advance text: remarks before the Indian Parliament

**Released January 3, 1978**

Advance text: remarks on signing the Delhi Declaration

**CHECKLIST—Continued**

**Released January 4, 1978**

Informal remarks: photo session at the beginning of a meeting with President Giscard d'Estaing of France.

Announcement: meetings of the President, Secretary Vance, and Dr. Brzezinski with French officials

Advance text: remarks at the Palais des Congres

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**ACTS APPROVED BY  
THE PRESIDENT**

NOTE: The President completed his consideration of acts and joint resolutions passed during the first session of the 95th Congress on December 28, 1977. The second session of the 95th Congress will begin on Thursday, January 19, 1978.

# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, January 13, 1978

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## International Organizations Entitled to Privileges and Immunities

*Executive Order 12033. January 10, 1978*

### REMOVAL OF CERTAIN INTERNATIONAL ORGANIZATIONS NO LONGER IN EXIST- ENCE FROM THE LIST OF THOSE EN- TITLED TO PRIVILEGES AND IMMUNITIES

By virtue of the authority vested in me by Section 1 of the International Organizations Immunities Act (59 Stat. 669, 22 U.S.C. 288), and as President of the United States of America, in order to remove the Southeast Asia Treaty Organization and the International Coffee Study Group from the list of international organizations afforded certain privileges and immunities, because those organizations no longer exist, the following are hereby revoked: Executive Order No. 10866 of February 20, 1960; and, Executive Order No. 10943 of May 19, 1961.

JIMMY CARTER

The White House,  
January 10, 1978.

[Filed with the Office of the Federal Register,  
3:56 p.m., January 11, 1978]

NOTE: The Executive order was announced  
by the White House on January 11.

## ACTION Cooperative Volunteers

*Executive Order 12034. January 10, 1978*

### PROVIDING FOR THE APPOINTMENT OF FORMER ACTION COOPERATIVE VOL- UNTEERS TO THE CIVILIAN CAREER SERVICE

By virtue of the authority vested in me by Sections 3301 and 3302 of Title 5 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. Any person who is certified by the Director of ACTION as having served satisfactorily as a full-time ACTION Community Volunteer (including Criminal Justice Volunteers, Volunteers in Justice, and VETREACH Volunteers) for a period of service of at least one year under Part C of Title I of the Domestic Volunteer Service Act of 1973 (Public Law 93-113), and who was enrolled as a Volunteer in such program prior to October 1, 1976, shall be eligible for noncompetitive appointment to the Civilian Career Service in the same manner as that provided for Peace Corps Volunteers by Executive Order No. 11103 of April 10, 1963.

SEC. 2. This Order shall be effective 60 days after the date of signature and its

applicability to persons who have completed their volunteer service on or before that date shall begin on such effective date.

JIMMY CARTER

The White House,  
January 10, 1978.

[Filed with the Office of the Federal Register,  
3:57 p.m., January 11, 1978]

NOTE: The Executive order was announced by the White House on January 11.

## National Commission on Employment and Unemployment Statistics

*Nomination of Eight Members.  
January 11, 1978*

The President today announced eight persons whom he will nominate to be members of the National Commission on Employment and Unemployment Statistics. They are:

BERNARD E. ANDERSON, an associate professor of industry at the Wharton School, University of Pennsylvania, and formerly an economist with the U.S. Bureau of Labor Statistics;

GLEN G. CAIN, a professor of economics at the University of Wisconsin and member of the National Council on Employment Policy;

JACK W. CARLSON, vice president and chief economist of the Chamber of Commerce of the United States, president of Carlson Associates, and a consultant to financial, utility, manufacturing, and research organizations;

MICHAEL H. MOSKOW, a full-time consultant to the Committee for Economic Development and former Under Secretary of Labor and Director of the Council on Wage and Price Stability;

RUDOLPH A. OSWALD, director of the department of research of the AFL-CIO and Chairman of the Labor Research Advisory Committee to the Bureau of Labor Statistics;

SAMUEL L. POPKIN, an associate professor of political science at the University of California at San Diego;

MITCHELL SVIRIDOFF, vice president of the Ford Foundation for the division of national affairs and former administrator of the New York City Human Resources Administration;

JOAN L. WILLS, director of the National Governors' Conference employment and vocational training program and former director of the Illinois Governor's Office of Manpower and Human Development.

## Drug Abuse Prevention Week, 1978

*Proclamation 4544. January 11, 1978*

*By the President of the United States  
of America*

### A Proclamation

History teaches us that almost every discovery or invention designed to make our lives a little better can, in the wrong hands, become an instrument of tragedy and suffering. Nothing better illustrates this than the problem of drug abuse in America. When used properly, today's drugs can work miracles that were unimaginable only a short time ago. When they fall into the hands of the immature, the careless, the ignorant, or the despairing, their effects can be devastating.

If we are to rid our society of the problem of drug abuse, we must first rid ourselves of the idea that it is confined to a single group. Drug abusers include the busy executive who cannot function without the aid of heavy drinking, the youth who is addicted to heroin, and the victim of disease who grows dependent upon prescribed medication.

Once we understand that the problem does not derive from a single source, we can appreciate the futility of attempting to seek a single solution. Controlling the availability of drugs and seeking better methods of treating the drug abuser are

vital, but unless we also identify and reduce the social pressures which encourage drug abuse, our other efforts will achieve little.

Recognizing this we are focusing our efforts on the search for ways to stop drug abuse before it starts. In particular, we are directing our attention to ways of helping young people understand themselves and their surroundings without the artificial support of dangerous drugs. How successful we will be remains to be seen. But each of us needs the courage to face these hard truths, the insight to recognize that this problem affects us all, and the determination to do something about it.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, in order to inaugurate the 1978 National Drug Abuse Prevention Campaign, do hereby proclaim the week beginning January 15, 1978, as National Drug Abuse Prevention Week.

I call upon government officials, educators, medical professionals, clergy, business and civic leaders to join together in working to create an America where people are no longer tempted to abuse drugs. I call upon parents to examine the ways they respect or abuse drugs in their homes and to remember that their attitudes are likely to shape the attitudes of their children. Most of all, I ask each American to take the time and trouble to learn about drug abuse prevention, to kindle positive values within our families and communities, and to create opportunities for people of all ages and all backgrounds to come together to share their ideas, skills, and resources.

IN WITNESS WHEREOF, I have hereunto set my hand this eleventh day of January, in the year of our Lord nineteen hundred seventy-eight, and of the Inde-

pendence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 11:08 a.m., January 12, 1978]

NOTE: The proclamation was announced by the White House on January 12.

## White House Conference on Balanced National Growth and Economic Development

*Appointment of 15 Members to the  
Conference's Advisory Committee.  
January 12, 1978*

The President today announced 15 persons whom he will appoint as members of the Advisory Committee to the White House Conference on Balanced National Growth and Economic Development. They are:

ROBERT O. ANDERSON, of Roswell, N. Mex., chairman of the board and chief executive officer of Atlantic Richfield Co.;

CHARLES E. BISHOP, of Fayetteville, Ark., president of the University of Arkansas;

DAVID J. FITZMAURICE, of Cleveland, Ohio, president of the International Union of Electrical, Radio and Machine Workers;

ALFREDO GUTIERREZ, of Phoenix, Ariz., majority leader in the Arizona State Senate;

DORIS B. HOLLEB, of Chicago, Ill., director of the University of Chicago's Metropolitan Institute and research associate at its Center for Urban Studies;

MAYNARD JACKSON, mayor of Atlanta;

JOHN H. LYONS, of Potomac, Md., general president of the International Association of Bridge, Structural and Ornamental Iron Workers;

LEO T. MCCARTHY, of San Francisco, speaker of the California Assembly;

WILLIAM C. NORRIS, of St. Paul, Minn., chairman of the board and chief executive officer of Control Data Corp.;

KATHERINE G. PEDEN, of Louisville, Ky., president of Katherine G. Peden & Associates, a firm of industrial and community developers;

BARBARA B. REAGAN, of Dallas, Tex., professor of economics at Southern Methodist University;

JOHN D. ROCKEFELLER IV, Governor of West Virginia;

LIDIA L. SELKREGG, of Anchorage, Alaska, professor of resource economics and planning at the University of Alaska;

LELAN F. SILLIN, JR., of Lyme, Conn., chairman and president of Northeast Utilities;

REV. LEON H. SULLIVAN, of Philadelphia, Pa., pastor of Zion Baptist Church in Philadelphia.

## International Printing Week, 1978

*Message of the President. January 12, 1978*

So crucial is the freedom of the printed word to a democracy that its protection is incorporated into the First Amendment to our Constitution.

The theme of International Printing Week, 1978, "Don't Stop the Presses!—Let Freedom Roll," clearly expresses that printing, while it may be a business, is also a cornerstone of democracy.

A vast majority of the graphics arts firms in this nation are not massive corporations, but small, often family owned and operated businesses—true examples of the private enterprise system.

I encourage the printing industry to continue its contribution to the progress of freedom.

JIMMY CARTER

NOTE: International Printing Week, 1978, is observed from January 15 to 21.

## National Council on Educational Research

*Nomination of Harold Howe II and Frederick H. Schultz To Be Members. January 12, 1978*

The President today announced that he will nominate Harold Howe II, of New

York City, and Frederick H. Schultz, of Jacksonville, Fla., to be members of the National Council on Educational Research for terms ending September 30, 1979.

Howe, 59, has been vice president for education and research of the Ford Foundation since 1971. From 1969 to 1971, he was adviser on education to the Ford Foundation's office in India. From 1965 to 1968, he was U.S. Commissioner of Education. He has also worked as a school-teacher and principal.

Schultz, 48, is chairman of the board of Barnett Investment Services in Jacksonville. As speaker of the Florida House of Representatives in 1969 and 1970, he worked on legislation to reform education financing. He was chairman of a special State education committee which reported to the Governor.

## THE PRESIDENT'S NEWS CONFERENCE OF JANUARY 12, 1978

THE PRESIDENT. It's nice to be back home. It's nice to start a new year. I have a brief statement to make before I answer questions.

### ENERGY LEGISLATION

Much has been said about the messages that I carried on behalf of the American people to leaders of the nations which I visited on the recent trip. But it's also important to focus on the message that I received from them and brought back home.

They are looking to our country to see whether we have the will, the resolve to deal squarely with our energy problems, which are also becoming their problems.

It's clear that our willingness to curb the enormous American national appetite for imported oil will be a consideration, for instance, in future OPEC oil prices.

As a nation, we are increasing our demands for foreign oil. We may have conservation forced on us by unexpected and rapid increases in oil prices in the future. Our consumers and our industries will pay more and more to foreign countries, and with those dollars that go overseas we are, in effect, exporting American jobs.

In Paris and in Brussels, our own allies expressed concern about whether we can and will enact strong energy legislation. If our own economy is not strong, if our strength is being sapped by excessive imports, then we can't provide the kind of leadership and stability on which the economic well-being of the Western democracies rests so heavily.

The United States has had and is still faced with a very large trade deficit which has led recently to exchange market disorders and exchange rate speculation. It's clear that our heavy dependence on imported oil is a main part of our trade problem and that our failure to adopt a comprehensive energy program has badly weakened confidence in our ability to deal with that problem.

Almost every foreign leader stressed the importance of our energy program in terms of our responsibilities for international monetary order and the maintenance of the integrity of the dollar.

We all recognize that while the energy program will not reduce our oil imports overnight, that it will reduce our dependence on foreign oil over the long pull and also permanently. It would improve our trade position, our national economy, the strength of the dollar in a fundamental way.

I believe that we do have the resolve and the national will to deal with the energy problem. The debate in the Congress

has been long and divisive and arduous. It has at times tried the patience of all of us. And delay has deferred action, unfortunately, on a number of other important national priorities.

But when we do succeed—and I believe we have an excellent chance to succeed early in this session—we will have accomplished something in which we can take pride, not just here at home but before the other nations of the world as well.

Thank you. I'd like to answer any questions you might have.

## QUESTIONS

### ENERGY

**Q.** Mr. President, in connection with energy, has there been any kind of a compromise reached on natural gas pricing? Do you think you'll get an energy program? And if you don't, what unilateral steps will you take? And I have a followup.

**THE PRESIDENT.** A followup to all three of those questions?

Well, there was a substantial amount of progress made by the conference committees just before Christmas. I think that many of the consumer-oriented House Members were willing to accept a compromise that was acceptable to many of the Senators. The problem has been and still is that there are nine Senators for and nine Senators against any sort of proposal that has been made up until this time.

Dr. James Schlesinger has been out on the west coast to meet with the chairman of the committee, Senator Scoop Jackson. I have talked to Senator Jackson on the phone. And he's told me that he has a re-determination to exert his own leadership and profound influence in bringing about a resolution of the present deadlock.

My guess is that the Congress is beginning to realize—many of them have long

realized—the importance of this legislation. It will be the first order of business. It's the first priority for this year's work. And it is holding up other very important matters that the Congress is interested in.

So, I think the answer to your second question is that, yes, there will be a compromise reached. It will be acceptable to me and to the country. And I think it will come very early in this session.

The third thing, what will I do if the Congress does not act, is something that I'm not yet prepared to answer. There are authorities that I have and Dr. James Schlesinger has as head of the Energy Department that would be much more unsettling to our Nation's economy—the imposition of import charges on oil that we hope to avoid, and I think the Members of the House and Senate want to avoid those kinds of disruptive actions just as much as we do.

The present laws are inadequate to deal with the increasing problems of the energy demand, which are met so excessively by imports of oil. I think we do need to have passed adequate incentives. What we have proposed to the Congress would give oil producers for new oil the highest price in the world, and it would mean that in natural gas, there would be a substantial increase in prices to the producers, compared to what we have had in the past.

I think our proposal is fair and well balanced, and I think there's a growing consensus within the Congress that this is a basis on which to reach an agreement. And I hope to avoid having to take administrative action that would be damaging to the economy in order to protect us in the future.

Q. My followup was simply, were you surprised at the NAACP's opposition to your program, and do you think it'll have an impact?

THE PRESIDENT. I was surprised. I talked to the president of the NAACP this morning, Benjamin Hooks. He said the major thrust of their report was that they want to have a sustained growth in the economy and therefore provide additional jobs for people in our Nation. But I disagree strongly with the conclusion the NAACP reached, that the way to do that was to channel enormous sums of money, \$40, \$50, \$60, \$70 billion into the pockets of those who own the major oil companies, out of the pockets of consumers.

I want to have a strong economy, too. But I don't think that's the right way to do it.

#### SOVIET INVOLVEMENT IN AFRICA

Q. Mr. President, everywhere you traveled, except Poland, we were told that you and the leaders talked about Soviet and Cuban penetration in the Horn of Africa, but we only got very generalized and vague statements on this. Can you enunciate the depth of our concern, and what can we do about it except jawbone?

THE PRESIDENT. We've taken a position concerning Africa that we would use our influence to bring about peace without shipping arms to the disputing parties and without our injecting ourselves into disputes that could best be resolved by Africans, both those parties that are in dispute and the Organization of African Unity. The Soviets have done just the opposite.

They, in effect, contributed to the war that's presently taking place between Somalia and Ethiopia. They sold excessive quantities of arms and weapons both to Somalia and to Ethiopia. The war began using Soviet weapons, and now they are shipping large quantities of weapons, some men, and they are also dispatching Cubans into Ethiopia, perhaps to become combatants themselves. We have ex-



pressed our concern to the Soviets in very strong terms.

We have shared the concerns that we feel with the leaders that I have visited, both the cumulative group of countries that join with us in the NATO alliance, and specifically with France, the Middle Eastern countries, and India. We've had unanimous response from them sharing our concern about the Soviet Union's unwarranted involvement in Africa. I am very concerned about the loss of life now.

Our hope is that the Somalians might call publicly for negotiations to begin immediately to resolve the Ogaden dispute. One possibility, of course, would be to go to the Security Council of the United Nations or to the permanent members of the Security Council. But the basic negotiation ought to take place between those two nations themselves.

So, I think that there are things that we can do to express our concern publicly, to offer our good services in support of the African nations who are responsible, to support the Organization of African Unity, and in the United Nations to let our voice be heard. But I hope that we can induce the Soviets and the Cubans not to send either soldiers or weapons into that area and call for and achieve a rapid initiation of negotiations.

#### INTEREST RATES

Q. Mr. President, on another subject, will Miller, as head of the Fed, mean lower interest rates?

THE PRESIDENT. Well, I want lower interest rates, and I know the Fed does also, I'm sure, including Chairman Burns and certainly William Miller, who will be Chairman in the future, I hope.

We have here a problem in stabilizing the value of the dollar, which is the basis for most international trade on the one hand, of preventing excessive inflation,

which is compatible with that, and still having interest rates low enough to encourage businesses to invest in stocks, to encourage them to create jobs with expansion, and to make sure that we have an economy that's stable and predictable.

So, I think that both Chairman Burns and Miller would like to have lower interest rates.

I hate to repeat myself again, but I think that until the question of energy is resolved, the uncertainty about this subject and the realization that our excessive imports of oil or adverse balance of trade is going to be permanent, those two things are going to contribute to the deleterious effects of increasing interest rates and also uncertainty in the stock market.

Mr. Bradley [Ed Bradley, CBS News].

U.S. ATTORNEY DAVID MARSTON

Q. Mr. President, you promised during the campaign to appoint U.S. attorneys strictly—without any consideration of political aspects or influence—strictly on the basis of merit. May we first of all assume that is also your standard for removing political attorneys, U.S. attorneys, and if so, why are you removing the U.S. attorney in Philadelphia, David Marston, who on the surface seems to have a credible record, which includes the prosecution and conviction of a number of prominent Democrats?

THE PRESIDENT. Well, the answer to the first part of your question is certainly yes. I intend to make sure that all the appointments that are made to Federal judgeships and also to U.S. attorneys are made on the basis of merit. And I think until each appointment is observed very carefully—who was in office compared to who is the replacement for that person in office—that it would be hard to criticize a particular instance.

I have recently learned about the U.S. attorney named Marston. This is

one of hundreds of U.S. attorneys in the country, and I was not familiar with the case until it became highly publicized. The Attorney General is handling the investigation of the replacement for Mr. Marston. I think the focusing of attention on this case will certainly doubly inspire him to make a selection that will be admirable and a credit to him and to me, and I've not interfered in it at all.

Before I first heard about Mr. Marston, the Attorney General had already decided to replace him. We have encouraged the Members of Congress, Democratic Members of Congress, not to be involved in trying to influence the Attorney General about who should be the new U.S. attorney there.

I'd be glad to answer a followup question.

Q. Is it the Attorney General's feeling, sir, that he has not done a good job?

THE PRESIDENT. Well, I can't say that Mr. Marston has or has not done a good job. He was appointed at the last minute under the previous administration. He was not a practicing attorney, had never had any prosecuting experience. And the only criticism that I've heard about him was that he had a very heavy commitment to calling press conferences and so forth when he obtained evidence or when a grand jury took action in an indictment. I think this is not unique in the country.

I've not discussed the case with the Attorney General and asked him specifically what was wrong with Marston. I don't know who he will recommend to me for the replacement. But I can assure you that when the replacement is announced, that there will be the emphasis on the quality of the replacement, his qualifications compared to the incumbent. And I have absolute confidence that the Attorney General will do a good job in that respect.

#### FUEL PRICES

Q. Could I have a followup on energy? You have said that you want a fair energy bill from Congress.

THE PRESIDENT. Yes, I do.

Q. And you've indicated, repeated today again, a warning about funneling undue amounts of money from the pockets of the consumers to the oil companies. Yet your Energy Department has told some northeastern Congressmen that it will no longer continue weekly monitoring of home heating oil prices, that it will not monitor fuel prices at the refinery gates, and that if the prices to consumers do go up unduly this winter, they'll take action next winter. Now, how does that protect the consumers against a ripoff?

THE PRESIDENT. If what you say is true, then I don't see that it does protect the consumers adequately. I'm not familiar with that statement, but I will find out an answer for you and let you know the answer.<sup>1</sup>

<sup>1</sup> On the following day, the White House issued the following announcement:

The President said during his press conference that he would look into a question concerning monitoring of home heating oil prices by the Energy Department.

In July 1976, price controls on home heating oil and diesel fuel were lifted. A one-season price monitoring system was instituted by the Ford administration for the 1976-1977 winter season to ease the transition to the free market.

That monitoring system expired, and work has been underway on a new system for some time. In accordance with Federal rulemaking procedures, a proposed regulation outlining the new system was published in September. Public hearings were held, and the final regulation establishing the new system is expected to be signed this week.

In the meantime, the Department has continued to monitor home heating oil prices through the Energy Information Administration. No significant increases in home heating oil prices have been detected in this heating season.

U.S. ATTORNEY MARSTON

Q. Mr. President, if I could pursue the Marston question—

THE PRESIDENT. Please do.

Q. —one step further. There have been reports that, first of all, Mr. Marston is in the midst of an investigation which involves two Democratic Congressmen from Pennsylvania. And there have been reports that at least one of them has sought to contact the White House or you yourself to, in effect, get Mr. Marston off their backs. I wonder if you are aware of any such contacts or intents, however informal, and what your reaction to such a contact would be.

THE PRESIDENT. The only contact I've had with any Congressmen directly was, I think, Congressman Eilberg called me and asked that we look into it. At that time, the Attorney General had already decided to make the change. When I talked to the Attorney General about it, before Eilberg had let his views be known on the telephone call, he said that the replacement would be made and that he hoped that the Democratic Congress Members who had shown an interest in it would not be involved in trying to decide who would be the replacement.

And this has been an assurance given to us by Mr. Eilberg. As far as any investigation of Members of Congress, however, I'm not familiar with that at all, and it was never mentioned to me.

Q. Could you tell me, sir, what reason Mr. Eilberg gave for asking you to look into it? And what do you mean by "it"?

THE PRESIDENT. He wanted the replacement process to be expedited. The decision had already been made to replace Mr. Marston, and I think the Attorney General can answer your question better specifically. And my importunity to Mr. Eilberg was that it would be better if the Congress Members would let the Attorney

General make the selection on the basis of merit alone. And that was Mr. Eilberg's comment to me, that he had no interest in who would be the replacement at all, but he thought that because of the confusion there that the decision that the Attorney General had already made ought to be expedited. And I feel the same way. I have complete confidence that the replacement will be chosen on the basis of merit and not politics.

TAX CUT

Q. Mr. President, with signs now that the economy is improving, why should the tax cut that your administration is proposing be any larger than an amount necessary to compensate for the increased energy taxes and social security taxes?

THE PRESIDENT. Well, the tax proposal that I intend to make to the Congress will have an effective date of October 1. We anticipate, if projections hold true, that the first two quarters of 1978 will show very good economic progress in the growth rate, in the controlling of unemployment and inflation. But we believe that by the end of the third quarter, October 1, there will be a need to sustain the economic growth that we think we'll experience.

We are not trying to deal with an economy that's tottering or on the verge of collapse or in any danger. We have basically a very strong national economy.

The goal that we've set for ourselves for 1978 is a 5-percent growth rate. We were very fortunate in 1977 in reaching the goals that we set for ourselves, both in unemployment, as you know, and also in the growth rate. But we believe that a substantial tax reduction is needed for that purpose.

There are two other reasons. One is I want to reduce the portion of our gross national product that is collected and spent by the Federal Government. In my

opinion, it's too high. It's approaching 23 percent. And by the time I go out of office, I would like to have that down to no more than 21 percent. And also with the encroachment of inflation, it moves people into a higher tax bracket with paying a higher percentage of their income in taxes just because their dollars that they earn are cheaper and they get more of them.

So, with inflation, you have, in effect, the imposition of higher and higher tax rates to the American people if the laws don't change. So, for that reason also, I want to reduce the rate of taxes paid by the American people.

So, I think that a substantial tax reduction is needed in 1978, and I believe the Congress will agree. So, we intend to do all three things, to compensate for increases in social security tax, to keep the economy moving strongly, and also to compensate for the effects of inflation.

#### STRATEGIC PETROLEUM RESERVE

Q. Mr. President, when talking about the aggravation of oil imports, the U.S. Government's strategic petroleum stockpile—I think your decision is to acquire 1 billion barrels of oil——

THE PRESIDENT. That's correct.

Q. — on the world market. Now, the GAO and others have recommended that we use oil we already own, in the Elk Hills Naval Petroleum Reserve, and that would save, I think, as you're going now, to about \$20 billion you're going to spend in foreign oil. We could reduce this by half, a \$10 billion saving if we used our existing naval supplies. Why don't we do that?

THE PRESIDENT. Well, we are, in effect, increasing the production of American oil to cut down on the amount that we have to purchase. At Elk Hills, at Teapot Dome, we're trying to increase the importing of oil to the continental

United States from Alaska. We're trying to maintain the production of oil, sour oil, to some degree in California, in addition to reducing overall consumption of oil and energy and shifting to coal.

And at the same time, it's very important to us to have stability in the world oil market and protect us from some interruption in the future over which we have no control.

So, we've set a goal for ourselves that by 1985, we'll have a billion barrels of oil stored in a secure place in salt domes in the United States so that we can have an 8- or 10-month supply in case overseas oil is interrupted in coming to us.

So, the sum total of what we propose is to do exactly what you describe. Whether domestic oil actually goes into the supply system of our country and foreign oil goes into the underground storage is really of no consequence, because the overall consumption of oil plus the import or use of oil to build up our reserves is the factor that controls how much we import.

Q. Well, my question is—what it goes to the point of—the \$10 billion savings. We already own the Elk Hills naval oil reserve.

THE PRESIDENT. Well, when we sell that oil, if it's on the commercial market, the Federal Treasury gets the money back for that oil. So, there's just really swapping dollars. It may be very difficult to transport the oil from Elk Hills and identify a particular gallon or barrel of oil that has to go into a salt dome in Louisiana.

Q. Well, they talked about swap arrangements, particularly with Japan. Japan would be very happy to have that very sweet Elk Hills oil, and they'd give us their Mideast oil.

THE PRESIDENT. I understand. But we're trying to do what I've just said,

build up the adequate supply of oil for reserve and cut down consumption and imports at the same time.

Sarah McClendon [McClendon News Service].

U.S. BORDER PATROL HELICOPTER

Q. Who did you say? [*Laughter*] I thought you were looking over there.

Sir, I have a question I want to take up with you. On January 5, a helicopter, a border patrolman on board, was shot at from the Mexican side of the border, and according to Immigration Service, no plans are being made to make a formal, big, major protest on that through the White House or the State Department to the Mexican Government. The families and the border patrolmen are very concerned. They think if you don't make a major protest, you'll get this again.

THE PRESIDENT. Thank you very much. I will certainly look into it. We have only recently begun to use helicopters on the border patrol. We have in Mexico, however, in close cooperation with the Mexican Government, used our helicopters for the detection of poppy fields that produce heroin and other hard drugs in Mexico.

And my understanding was that the helicopter fired at was in the process of trying to destroy heroin poppy fields.

Q. No, sir, it was on this side of the border. The helicopter shot at was on this side of the border, was shot at from the Mexican side.

THE PRESIDENT. I understand.

Q. This has happened before with airplanes, but not helicopters. It's very dangerous with the helicopters.

THE PRESIDENT. Yes, until this past year we have never used helicopters for that purpose. But we are now.

U.S. ATTORNEY MARSTON

Q. Mr. President, to come back to the Marston matter for a minute, without

gainsaying yours and the Attorney General's intention to appoint someone at least as qualified as he is, it's still not clear to me why he's being removed in the first place. Could you expand on what you've said already a little bit?

THE PRESIDENT. Well, I think I've covered that at least as far as I am able to. I've never looked into Mr. Marston's qualifications. I depend upon the Attorney General to assess the quality and the performance of duty of the U.S. attorneys around the country. And when he decides that a U.S. attorney needs to be replaced, then he makes the judgment about who ought to be the replacement.

He made, quite early in this past year, a decision that Mr. Marston should be replaced. I've never asked him to delineate all the reasons. And my only involvement in it at all was to expedite the process.

As I've told you, I have complete confidence in the Attorney General's judgment. I think he will recommend to me someone who will make me and him proud and particularly since there's been such a large focusing of attention on the case the last few weeks. And why the publicity has accrued to that case, I'm not sure. But I want to make sure now that when this selection is made, it will be a superb person. And I hope and expect that it will be a man who's at least qualified, perhaps better qualified, than Mr. Marston, or perhaps a woman.

SMOKING

Q. Your Secretary of HEW wants to spend \$23 million to persuade Americans to stop smoking, while there are people on your staff, Mr. President, who smoke in public like chimneys. Could you explain this apparent contradiction? [*Laughter*]

THE PRESIDENT. Well, I don't see the contradiction there. I can't deny that the Secretary of HEW, who's responsible for

the Nation's health, points out, as have his predecessors for 15 or 20 years, that smoking is a danger to health. The U.S. Surgeon General, as you know, years ago confirmed this in tests. Now, I happen to think that that's his responsibility. And it's not his responsibility to tell a particular American citizen whether they can or cannot smoke.

Q. I understand, sir. But would you ask your White House staff to set a national example? [*Laughter*]

THE PRESIDENT. No, sir.

#### THE MIDDLE EAST

Q. When you were in Egypt meeting with President Sadat, President Sadat emerged from that meeting saying that your views and his on the Middle East were essentially identical. Does that mean that you think the Israelis should withdraw from all 20 settlements they have in the Sinai plus their West Bank settlements before there can be peace in the Middle East?

THE PRESIDENT. Well, it's not for me to decide the specifics of an ultimate settlement, either between Israel and Egypt, or Israel and Jordan, or Israel and the other nations involved or the Palestinians.

I think that it's accurate that President Sadat and I see the Middle East question almost identically. I've not been involved and don't intend to get involved in the military settlement that's now being negotiated in Cairo. The position of our Government is now and has been that Israeli settlements on occupied territory are illegal and that they contravene the Geneva conference decisions that were made.

The U.N. Resolution 242 is the basis for the ultimate decision. All the nations involved have espoused 242, and 338 later on, which set up the Geneva conference with ourselves and the Soviets as chairmen. We have in that language that says

Israel will withdraw from occupied territories.

Combined with that requirement, though, is that Israel will have secure borders, including a realization of security from the attitude of her neighbors. So, this is an extremely complicated subject, as you well know. I can't say that on every specific instance that President Sadat and I will agree on details. We didn't discuss those details.

And I think that it's best for us just to add our good offices when we can, support both men as they go to the negotiating table. Secretary Vance will be in Jerusalem with the foreign ministers of the two countries involved, and our position on the settlements has not changed.

FRANK CORMIER [*Associated Press*]. Thank you, Mr. President.

NOTE: President Carter's twenty-third news conference began at 2:30 p.m. in Room 450 of the Old Executive Office Building. It was broadcast live on radio and television.

## Multi-Year Budget Planning

*Memorandum From the President.*  
*January 12, 1978*

*Memorandum for the Heads of Executive Departments and Agencies*

*Subject:* Multi-Year Budget Planning

The demanding task of preparing the Federal Budget for fiscal year 1979 is almost complete. Your cooperation in this task has been very gratifying.

During the process of preparing the 1979 Budget, I was reminded—as I am sure you were—that it has become very difficult for either the Congress or the President to plan budgets effectively just one year in advance. Accordingly, I am asking that your Fiscal 1980 Budget requests be prepared as part of a three-

year budget plan. Work on these should commence immediately after the FY 1979 budget is transmitted.

The Office of Management and Budget will give you the 1979 allowances and the planning base estimates for fiscal years 1980, 1981, and 1982. These will be based on your projections for the FY 1979 budget. Then, in the spring, I will review major FY 1980 budget issues that might significantly alter the three-year planning base estimate. Afterwards the Office of Management and Budget will give you detailed guidance (and if necessary, revised planning base estimates) as you undertake the preparation of your fall budget request.

I realize that some issues will occasionally arise during the year which I will not have had a chance to consider in these comprehensive spring and fall budget reviews. When this happens I want an analysis of long-term budget costs to be included among the briefing papers I receive.

Multi-year budget planning should help make our government work better. I know you will do everything possible to see that the transition is smooth.

JIMMY CARTER

## Lee Metcalf

*Statement on the Death of the Senator From Montana. January 12, 1978*

The death of Senator Lee Metcalf stills a voice that had long spoken up for preserving the great wilderness areas of this country. He came from the land of the Big Sky, of wide plains and rugged mountains, where a traveler can go for miles without meeting another person. He was a friend of working people and family farmers and an early sponsor of legislation for clean water, Federal aid to education,

and reclamation of strip-mined land. He was beginning his 18th year in the Senate, after 8 years in the House and 6 years as a Montana supreme court justice. During his nearly 25 years on Capitol Hill, he had become a guardian of the public interest in dealing with the utilities and an advocate of congressional reform and budgetary control.

His loss will be deeply felt.

## United States-Soviet Standing Consultative Commission

*Nomination of Robert W. Buchheim for the Rank of Ambassador While Serving as U.S. Commissioner. January 13, 1978*

The President today announced that he will nominate Robert W. Buchheim, of Washington, D.C., for the rank of Ambassador while serving as the U.S. Commissioner on the United States-Soviet Standing Consultative Commission (SCC).

Buchheim was born January 22, 1925, in Highland, Ill. He received a B.E. in 1946, an M.E. in 1948, and a Ph.D. in 1953 from Yale University.

From 1954 to 1963, Buchheim was a department head at the RAND Corporation, and from 1964 to 1967, he was on the Research Council at the RAND Corporation. In 1963 and 1964, he was chief scientist for the U.S. Air Force.

In 1967 and 1968, Buchheim was executive director of research and engineering at North American Rockwell Corp. In 1968-69 he was a professor and associate provost at Vanderbilt University. From 1969 to 1971, he was executive vice president and president of Southwestern Research Corp. in Phoenix, and from 1971 to 1973, he was a consultant.

Buchheim was Deputy Assistant Director of the Arms Control and Disarma-

ment Agency from 1973 to 1977. Since August 1977, he has been Acting U.S. Commissioner on the SCC.

## United Nations

*Appointment of Mathea Falco as U.S. Representative on the Commission on Narcotic Drugs of the Economic and Social Council. January 13, 1978*

The President today announced the appointment of Mathea Falco, of Washington, D.C., as the U.S. Representative on the Commission on Narcotic Drugs of the Economic and Social Council of the United Nations.

Falco, 33, is senior adviser to the Secretary of State and Coordinator for International Narcotics Matters at the State Department. From 1974 to 1977, she was Special Assistant to the President for the Drug Abuse Council.

## Anniversary of the Birth of Martin Luther King, Jr.

*Letter to Coretta Scott King. December 28, 1977*

*To Coretta Scott King*

Not yet half a century has passed since your husband's birth, and he has already been gone from us for almost a decade. This anniversary reminds us forcefully of what one life can mean and of what can be done in a relatively short time to remove the obstacles that have blocked the progress of human beings for generations.

Dr. Martin Luther King, Jr., left us guideposts: his dedication to breaking down the barriers that separated people and his vision of a world where a person's only limitations would be the individual's

own will and ability to learn and use opportunities.

The non-violence he practiced requires a spiritual, intellectual and even physical commitment—a willingness to risk everything on the principle that you can love your enemies into submission to a higher good. He became the worldwide symbol of the power of that principle and the cost of that commitment.

We must renew our own commitment, must again tap that great power and use it to solve the problems that still face those he always championed, the poor and the oppressed. He taught us that whatever stands in the way of meeting needs can be overcome—even the inertia of the comfortable.

I join you in honoring him and the cause of brotherhood he served.

Sincerely,

JIMMY CARTER

[Mrs. Coretta Scott King, The Martin Luther King, Jr. Center for Social Change, 671 Beckwith Street, S.W., Atlanta, Georgia 30314]

NOTE: The letter was announced by the White House on January 13.

## Federal Reserve System

*Exchange of Letters on the Resignation of Arthur F. Burns as a Member of the Board of Governors. January 13, 1978*

January 13, 1978

*Dear Chairman Burns:*

It is with sincere regret and a deep sense of personal loss that I accept your decision to resign as a member of the Federal Reserve Board.

We have worked together closely over the past year, and my respect for your sound judgment and integrity has grown steadily. Your advice and counsel have been of enormous value to me in dealing with the difficult decisions I had to make during my first year as President.



Your leadership of the Federal Reserve over the past eight years occurred at a time when our nation, and others around the world, were forced to grapple with economic problems of extraordinary complexity. Our country has been fortunate to have a person of your experience and knowledge at the helm of the central bank during this difficult period.

Because of your impeccable honesty, your wisdom, and your frank and courageous presentation of your professional opinions, citizens in every walk of life have come to know and respect you during your long period of public service. In expressing my own profound thanks to you, I am conveying the sentiments of a grateful nation.

I will miss very much the frequent personal contact that we have had over the past year, and I trust that in the future your services will still be available to me and to the nation.

Sincerely yours,

JIMMY CARTER

[The Honorable Arthur F. Burns, Chairman of the Board of Governors, Federal Reserve System, Washington, D.C. 20551]

January 12, 1978

*Dear Mr. President:*

I have given careful thought to the question of continuing to serve as a member of the Federal Reserve Board and have decided not to do so. This decision is based on my conviction that Mr. Miller deserves the fullest opportunity to establish his leadership at the helm of our Nation's central bank. The continued presence of a former Chairman could, in my judgment, be a complicating distraction.

I am mindful, of course, of the desirability of easing the transition at the Board and also of affording you time to name a new Board Member. With these and also personal considerations in mind, I propose March 31, 1978—or any earlier conven-

ient time—as the effective date of resignation.

I take leave of my present office with deep gratitude for the opportunity I have had to serve under you and five of your predecessors. America is a blessed country and it has been good to its people. Adopted citizens, such as myself, perhaps know this even more keenly than do the native born. That is why their love of this land of freedom and opportunity is so often all-consuming. I need hardly add that you can count on me if I can ever be of significant help in your efforts on our country's behalf.

With every good wish to you,

Sincerely yours,

ARTHUR F. BURNS

[The President, The White House, Washington, D.C.]

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *January 9*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- the Cabinet;
- Vice President Walter F. Mondale, Secretary of Defense Harold Brown, Attorney General Griffin B. Bell, Adm. Stansfield Turner, Director of Central Intelligence, Dr. Brzezinski, and Robert J. Lipshutz, Counsel to

## *Administration of Jimmy Carter, 1978*

the President, to discuss a draft Executive order concerning the organization and control of U.S. intelligence activities;

- Vice President Mondale;
- Vice President Mondale, Secretary of the Treasury W. Michael Blumenthal, Charles L. Schultze, Chairman of the Council of Economic Advisers, and Stuart E. Eizenstat, Assistant to the President for Domestic Affairs and Policy.

### *January 10*

The President met at the White House with:

- Dr. Brzezinski;
- Admiral Turner, Dr. Brzezinski, and Frank C. Carlucci, Deputy Director-designate of the Central Intelligence Agency;
- Mrs. Carter, for lunch.

### *January 11*

The President met at the White House with:

- Dr. Brzezinski;
- Dr. Schultze and Frank Press, Director of the Office of Science and Technology Policy;
- Senator Robert C. Byrd of West Virginia, Frank B. Moore, Assistant to the President for Congressional Liaison, and Dr. Brzezinski;
- Attorney General Bell and Judge William H. Webster of St. Louis, Mo.;
- a group of State commissioners of education.

### *January 12*

The President met at the White House with:

- Dr. Brzezinski;
- a group of black leaders.

### *January 13*

The President met at the White House with:

- Dr. Brzezinski;

- Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System;
- a group of business leaders;
- George Meany, president of the AFL-CIO;
- a group of editors and news directors (transcript will be printed next week).

The President left the White House for a weekend stay at Camp David, Md.

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### **NOMINATIONS SUBMITTED TO THE SENATE**

NOTE: The Congress having adjourned *sine die* on Thursday, December 15, 1977, no nominations were submitted during the period covered by this issue.

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### **CHECKLIST OF WHITE HOUSE PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

#### **Released January 12, 1978**

Announcement: nomination of Almeric L. Christian to be a judge of the District Court of the Virgin Islands

Announcement: nomination of John P. Volz to be United States Attorney for the Eastern District of Louisiana

News conference: on the White House Conference on Balanced National Growth and Economic Development—by Juanita M. Kreps, Secretary of Commerce, Gov. John D. Rockefeller IV, Chairman of the Advisory Committee to the Conference, and Michael Koleda, Director of the Conference

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### **ACTS APPROVED BY THE PRESIDENT**

NOTE: The President completed his consideration of acts and joint resolutions passed during the first session of the 95th Congress on December 28, 1977. The second session of the 95th Congress will begin on Thursday, January 19, 1978.

# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, January 20, 1978

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## United States-Japan Trade Agreement

*White House Statement. January 13, 1978*

The President is pleased by the agreement reached between Ambassadors Strauss and Ushiba on behalf of the U.S. and Japanese Governments regarding trade and other economic issues of common concern. The President believes that the agreed measures constitute a promising development in the two countries' efforts to strengthen economic relations; he is gratified at the provision for followup meetings to discuss both implementation of this agreement and further progress.

This agreement should strengthen the bonds of friendship between the two countries, underlining their will and ability to cooperate with each other and with other nations in devising common actions to meet common problems. The President is gratified at the role played by Prime Minister Fukuda in helping to bring about this outcome. He looks forward to working in concert with the Prime Minister in regard to continuing efforts to promote a healthy world economy.

## Interview With the President

*Remarks and a Question-and-Answer Session With a Group of Editors and News Directors. January 13, 1978*

THE PRESIDENT. Well, first of all, I want to welcome you all here and let you know that it's very good for me to have a chance to meet on these fairly frequent occasions with editors and other news leaders from around the Nation. I'll outline just a few things that are going on right now that might be of interest to you and spend what time we have available answering your questions.

### ADMINISTRATION POLICIES

We've now concluded a very good agreement with the South Koreans and with Tongsun Park and his lawyer for a very thorough discussion with him on the record, without any constraints, even with lie detector confirmation of his veracity, and without any prohibition against future interrogations by the congressional committees, which I think is very satisfactory.

This has been an unpleasant inter-relationship between ourselves and the South Korean Government because of the sensitivity of this issue. But I've always kept in mind how important our good

relations with the South Korean people is to us and to them and even to all the people of Northeast Asia.

We've had a defense pact with the South Koreans ever since 1954. We intend to honor all the elements of that defense treaty. We are committed to the security of South Korea. We'd like to have the differences between them and North Korea resolved in a friendly and mutually constructive fashion.

We support direct negotiations between the North and South Koreans. We will participate with them and other interested parties if necessary. We've been invited by the North Koreans, indirectly at least, to meet with them without the South Koreans being present. We are not willing to do that.

We enjoyed last year about a \$5½ billion trade with South Korea, about a billion dollars of which was for agricultural products. So, I wanted to mention this because quite often, in the excitement of discussing the unpleasant Tongsun Park experience, we lose sight of the fact that South Korea is a strong ally of ours.

We are concerned about the human rights issue in South Korea, and we're doing everything we can to impress upon the leaders in South Korea that this is a problem for us and creates a bad impression among our own people.

We have, additionally in foreign affairs, the prospective meeting in Jerusalem on the 15th between the foreign ministers of Egypt and Israel. I'll be consulting with Cy Vance tomorrow before he goes to join those discussions. He's just now returning from a speaking trip around the country to talk about the Panama Canal treaties.

I stay in close touch, as you can well imagine, with Prime Minister Begin and President Sadat and other leaders. I communicate with some of them several times

a week through diplomatic dispatch and personal letters, which are delivered very quickly between us.

We put a great deal of importance into these discussions in Jerusalem. I think if the peace process that Sadat has initiated should break down, it would be a very serious blow to world peace. And we're determined to add our good offices whenever we can.

In the upcoming Congress—to change the subject again—we'll be considering quite early the Panama Canal treaties, probably second only in urgency, as far as time goes, to the energy legislation itself. We hope that we can get both these major matters out of the way fairly early, so that we can address the more routine subjects that are important to us all.

I'll be presenting the budget to the Congress later this month. I'll make a State of the Union speech the 19th. I hope to get up to Camp David this weekend to do some final work on the State of the Union draft, on which we've been working for several weeks now.

I think it's important that we continue to put strong emphasis on the economy. As you know, we've had a fairly good year in 1977 as judged by the cold statistics. We saw the unemployment rate drop a little more than 1½ percent; corporate profits were up about 11½ percent.

We had an increase in the gross national product, between 5 and 6 percent. In the last 6 months, we had the inflation rate down around 4 percent, although we still have about a 6-percent underlying inflation rate. And we want to keep this going.

The prospects are for fairly good economic indicators to show up the first two quarters of 1978, and then, because of worldwide problems, it's likely to taper off unless we do something. So, I do intend to advocate to the Congress a sub-

stantial tax cut for American citizens and businesses for this coming year, to begin or to be effective the 1st of October.

I think it's a well-balanced budget. We used zero-based budgeting techniques in every department, every agency. It worked out well for us. I think it will get even better in subsequent years because of experience with it. We are concerned about some of the pockets of unemployment, particularly among young minority groups—in fact, young people of all races. But we'll be emphasizing this during this coming year.

I'm consulting with both congressional leaders and business, labor leaders, trying to get as much harmony as possible within our democratic institutions—democratic with a small “d.” And we have, I think, a need to recognize what a strong, viable, productive, progressive, great country we have.

Quite often we tend to emphasize overly, I believe, the disharmonies and the debates and the contentious, transient issues, because that's where the news lies. But I think pervading all the consciousness of America, and also the consciousness of the outside world as they look at us, is the realization of our strength. And this, of course, relates directly to our system of government and our system of free enterprise and the confidence that the people have in our institutions, government and otherwise.

I've enjoyed being President this first year, almost a year now, and look forward to the next one. I think I've learned a lot. We've got along well with the Congress, and for our first year of the term, I think we've done a good job in keeping the promises that I made.

A lot of people say, “Well, you promised this, and you've been in office a whole year now and haven't done it.” And I think it's obvious that many of the things

are so longstanding and so difficult that you can't possibly expect miraculous and instant results. But I'm pleased with what we've attempted and especially pleased at the cooperation the Congress has given to me.

I'd be glad to answer any questions that you have now in the limited time we have available.

## QUESTIONS

### GOVERNMENT REFORM

**Q.** Mr. President, as a candidate for the Presidency, one of your great assets was the fact that you weren't a member of the Washington establishment and, therefore, gave your supporters the hope that you could raise the level of our Government above the morass of bureaucratic redtape and cynicism.

Mr. President, after a year in office, what are the possibilities of you or any new President improving our form of government and getting it above this business of “government of the people for the bureaucrat and by the bureaucrat”?

**THE PRESIDENT.** I think one of the most frequent criticisms that has been made of me and my own administration is not becoming a part of the Washington establishment. [*Laughter*] If you read the local news media, you see that that's one of the things that we haven't been assimilated into—the social structure and so forth of Washington.

We've made some, I think, good improvements in the organizational structure of Government. We formed a new Department of Energy. We've eliminated now, I think, about 400 agencies and commissions, advisory boards, and so forth, that were unnecessary. We've gotten authorization from the Congress for a much more substantive reorganization effort to be concluded within a 3-year period.

As I said earlier, we've initiated zero-based budgeting. We've begun to cut back on paperwork. We're eliminating unnecessary regulations and constraints on the free enterprise system and also on private citizens. We've made substantial progress with OSHA, for instance, which is one of the most highly criticized Federal programs.

I think that we have brought some constructive ideas to Washington, derived from our long campaigning around the Nation and also from my own experiences as President.

We've got a superb Cabinet. There's not a single member of the Cabinet that sits around this table every Monday morning that I would want to change. I'm proud of every one of them. They're individualistic. They run their own departments without interference from me. They consult with me and the other Cabinet officers on basic policy. There's a harmony among them that's almost unprecedented, and the harmony exists, too, among people within the White House staff and between the White House staff and the Cabinet. Some of these things are quite different than they have been in the past.

When we deal with the Soviets on SALT or a comprehensive test ban, or when we deal with the Middle East question, I don't have to worry about contentiousness or jealousy or lack of communication or an incompatibility between the national security adviser, the Secretary of State, the Secretary of Defense, the Secretary of Treasury, and others.

This has not always been the case. We've still got a lot of faults, of course, but I think in these ways, we've improved the situation in Washington. That's a completely objective and unbiased opinion. *[Laughter]*

#### SECOND TERM IN OFFICE

Q. Mr. President, Marx Gibson from Joliet, Illinois. You said you've enjoyed the first year in the White House. When will you decide if you're going to try for a second term, and are you aware of Governor Thompson from Illinois' interests in replacing you here?

THE PRESIDENT. The answer to your first question is I don't know, and the answer to the second question is no. *[Laughter]*

#### THE MIDDLE EAST

Q. Mr. President, I gather there's some concern at the State Department over the course of Middle East negotiations, specifically a feeling that President Sadat's initiative has not really been matched so far by Israel and specifically a feeling that Israeli action over the settlements has not been helpful.

Do you feel that the Israeli response so far has been satisfactory, or do you simply feel that it would be impolitic for you to exert the influence that, I guess, some people at the State Department are urging you to do?

THE PRESIDENT. I don't know of any urging that has originated in the State Department to which I have not responded to their satisfaction. Cy Vance and I, you know, are constantly working together, along with the Vice President and Dr. Brzezinski and all of the staff that work under all of us, to make sure that our approach to the Middle East is carefully considered.

We have a limited role to play. We are there to be constructive and to respond to their requests and to be active when there's a dormant situation in the Middle East; to be much more reticent when we think progress is being made without us.

It was an unpleasant thing for me for 9 months or more to be the intermediary between nations who wouldn't even speak to each other, who wouldn't communicate directly with each other almost with a religious fervor. And now, to see Sadat and Begin and their representatives negotiating directly is a very major step forward and a very gratifying thing for me to observe.

I think Sadat's initiative has been bold and courageous. I think it's too early to say whether or not the Israeli response is adequate. That's for Sadat to judge. The major bone of contention right now, of course, is the highly publicized Israeli position on settlements, which we have always considered to be illegal.

And I just can't imagine Prime Minister Begin and the Israeli Government having the basic peace negotiations broken down because of an argument about settlements. It may very well be that in the West Bank or the Sinai that there could be some mutual agreements between Jordan, Egypt, Israel, that some of those Israeli settlers could stay on there. But that would be tied in very intimately with whether or not United Nations forces were the peacekeeping forces or whether the responsibility was Jordan's or the Palestinians' or Egypt's.

I think the details of those things are matters that I ought not to address publicly. I do discuss them without constraint with both Begin and Sadat, and we are very forceful in letting Prime Minister Begin and the Arab leaders know when we disagree with their position.

I've been very careful to do one thing, and that is that whenever we have an American position to put forward as a compromise or as a basis for discussions earlier this year, to put it in writing and

show exactly the same document to Sadat, to Hussein, to Begin, and also to Asad, just so there's no doubt about where we stand and what we are proposing. And then, if Begin disagrees with item number four, we tell Sadat—with Begin's permission, of course—this is something that Begin disagrees with, and seek his response. That was a tedious and, I say, unpleasant responsibility. But now we are there to cooperate with them.

The last thing I want to say is that our effectiveness in a time of stalemate or dispute is exactly compatible or commensurate with the trust that they have in me. If I should ever do anything to make either the Prime Minister or President Sadat or King Hussein or Asad feel that we weren't acting in good faith, that I was lying to them or misleading them or shading the truth, our effectiveness would be completely destroyed.

I don't think we've ever done that yet. It means, sometimes, that our Nation is taking the blame from both sides when we put forward a position that was not instantly acceptable. But I'm pleased with the progress made so far.

#### NUCLEAR POWER

Q. Mr. President, I'm Dick Smyser from Oak Ridge, Tennessee. Mr. Brzezinski told us this morning that you are a man who chooses his words very carefully. It seems to us in Oak Ridge, either rightfully or wrongfully, that when you talk about energy you either consciously don't mention nuclear power or mention it only in negative terms. And it seems to us that this has something to do with the public perception of nuclear power.

In the light of recent concern for CO<sub>2</sub> and what you said yesterday about oil imports, do you still think that nuclear

power is kind of a last resort, a necessary evil?

THE PRESIDENT. Well, you know, when I say "last resort," a phrase that I used throughout the campaign and have used as President, too, it doesn't mean that it's a necessary evil. My own position is that we ought to have conservation of energy as a first priority—in fact, if I have to put them in an order, to cut down on the waste of all kinds of energy.

Secondly, we ought to try to use as much as possible of our oil and gas in this country, rather than importing very expensive oil and gas, which causes us to have balance of payments problems. We ought to shift to other forms of energy. Coal would be one. I would say I would rather shift to solar than coal. But there's a legitimate place for nuclear power in our country.

My background is in nuclear power production, as you know. In the early stages of the development, before there was a nuclear powerplant in existence in the world, I worked in this program. And I was active early this past December in a highly publicized ceremony to put into operation and to connect with the power grid of our country the first thorium breeder reactor.

But I think we ought to have a realization that nuclear power should fill in the gap between those other sources of energy and what our Nation's total needs are.

We've just approved an agreement with the Iranians where that country, very rich in oil, can purchase atomic reactors from our own Nation, which I think will bring in a lot of job opportunities for Americans.

The major dispute has been on whether or not we should go forward immediately with the Clinch River liquid metal fast breeder reactor. I don't think we should. I don't think it's time. I don't think we

need it yet. I think if it were built as presently designed, it would be outdated by the time it was completed. It's extraordinarily expensive.

But we still have allocated, with my complete support and approval, almost a billion dollars for research and development in the breeder reactor field. And I think this has been the major item that has been highly publicized that has caused concern in Tennessee.

So, I'd say that within that framework, there's a legitimate role for atomic power to play. If there are constraints in the future on light water reactors, it won't be because of obstacles placed in their way by the Government. It will be other problems that might prevent their being widely used in this country, economic problems, primarily.

Q. Thank you.

THE PRESIDENT. Yes?

Q. Ladies before gentlemen.

THE PRESIDENT. Go ahead.

#### TOBACCO PRICE SUPPORTS

Q. I am Linette Burton from the Wilton, Connecticut, Bulletin. I happen, by pure chance, to be sitting in the seat that really belongs to Mr. Califano, which made me think that isn't it odd that while the United States Government continues its price support of the tobacco industry, Mr. Califano has come out so strongly against smoking?

THE PRESIDENT. I don't think it's odd. As you know, Connecticut produces a lot of tobacco, and so does Georgia. [Laughter]

Q. That's not why I asked. [Laughter]

THE PRESIDENT. No, I think that this is not particularly odd. The price support program is designed to provide stability in the agricultural community. Tobacco is produced in this country. It has been produced in this country for more than



300 years, and I imagine it will be produced in this country years and years in the future. It's a major export item.

The people of our Nation decide to use it. I've never smoked a cigarette in my life, as a matter of fact. I just don't have any urge to. My father did smoke four or five packs a day, and he died with cancer, perhaps because of cigarette smoking.

But I think to stabilize the production of an agricultural product like tobacco, which is accepted, which is legal, is a responsibility of Government, and it's one that I approve.

On the other hand, Joe Califano is responsible for the Nation's health. And the Surgeon General, years ago—I'd say 15 or 20 years ago—and all HEW Secretaries since then, have supported a highly publicized campaign to reduce the consumption of tobacco, certainly cigarette smoking, which is the most potentially harmful. The same thing applies to the State Department, who are constantly searching for peace at the same time the Defense Department, you know, prepares military strength to try to make sure we have peace.

And we have a real need to understand that the two are not necessarily incompatible. We are not trying to encourage cigarette smoking by providing a stability in agricultural production of tobacco. As a matter of fact, the relatively small subsidies that the Government pays—it's not an expensive program—actually increase the cost of tobacco to some degree, perhaps, and make the price of cigarettes higher.

The HEW Secretary has advocated an increase in taxes on cigarettes and a more severe warning on the packages. But I think there is, you know, no real conflict, although on the surface there seems to be.

#### U.S. RELATIONS WITH ASIA

Q. Mr. President, I'm Larry Giesting from Rushville, Indiana. During the past year you were to Europe twice to reassure our allies there of our continuing support. Are you planning to meet with our Asian allies either here or some other spot?

THE PRESIDENT. Asian?

Q. Asian.

THE PRESIDENT. Well, I've had come to meet with me this past year the prime ministers or other leaders of New Zealand, Australia, Japan, Malaysia, Singapore, and so forth. I have met with them already. I don't have scheduled a trip to Asia. It might very well be that the Vice President would go to Asia later on this year. He's going to make a trip very soon to Canada and to Mexico. But there's a possibility that he would go to visit those countries personally.

As a matter of fact, last year, my staff figured out that I had met personally with the leaders of 68 nations—that's the top leader. I don't think any President has met with that many before. I think President Kennedy met with 44.

I won't meet with nearly so many leaders this year. Many of them wanted to come to see me because I was so unknown. I didn't have a voting record in Washington. They didn't know what to anticipate, so there was a heavy pressure on us to invite them and we responded to that.

But this doesn't mean that we ignore the problems in Asia. I was in Japan the year before last, in May, and Prime Minister Fukuda is very likely to come here before the summer to see me again. I met with him personally in London last May.

I started out this session emphasizing the importance to us of strong ties to South Korea, which is kind of a linchpin, militarily speaking, for the Northeast Asian part of the country. My son was

just out in the Southwest Pacific this past week. We added as commonwealths the American Samoa and the Northern Mariana Islands. It's the first territory that our country absorbed since 1914. And I couldn't go personally, but my family went out to let them know we care about them.

So, I don't think by any stretch of the imagination we have ignored Asia's importance.

#### VIEWS ON THE PRESIDENCY

Q. Mr. President, this is the time for New Year's resolutions, and you've been President for a year. Do you have any New Year's resolutions as to how your administration can do its job better in the second year than it did in the first year? I'm more concerned with how, rather than what.

THE PRESIDENT. Well, we've obviously learned. I had never been to Washington in any official capacity until I became President.

I had come here to represent Georgia as Governor. I had been through here when I was an ensign, lieutenant jg. in the Navy. But Washington was new to me when I came. And quite often when I meet with congressional leaders, I ask them to remember how they felt the first time they came to Washington and how other people helped them. Well, I've had good help this past year.

We've learned a lot. As I said in the TV interview just before I went on the trip, my most serious problem, I think, was inadvertently building up expectations that were too high this past year. Without any criticism of the Congress, I underestimated the time it takes for Congress to act on major, controversial bills.

I thought we'd have a good start on tax reform. I won't present it until a week or so from now. I thought we'd have an

energy package complete. I thought we'd have welfare well on the way—the committees are holding hearings now. But we've had good accomplishments. I think this next year, this year that we're in now, we'll have a much more carefully planned agenda for the Congress.

We are consulting much more intimately now with the congressional leaders and their staffs before we send to the Hill a specific bill of any importance. I think the Members of Congress have gotten to know me better. I think I'll be much more reticent to set specific deadline dates for ourselves to meet when I don't have control over the meeting of that target date.

I'm going to reduce substantially the number of issues in which I'm personally involved before the public and let the Cabinet officers do more of that, which I think will be better. It'll give me much more of an ability to focus on the things where the President's personal involvement is necessary.

I think as far as foreign issues are concerned, I've weathered the year of just becoming acquainted with foreign leaders. I think I'll be able now to meet with and negotiate with leaders in a much more discriminatory way, just where my presence, again, is necessary.

As far as family life and my physical well-being, it wouldn't be possible to improve that this year. It's been very, very good this past year. I feel at ease with the job.

So, I think, primarily restricting my own personal involvement in a multiplicity of issues simultaneously and working more intimately and closely with the Congress, consulting with them better, understanding the congressional processes and giving more responsibility in a public way to my Cabinet officers—those are

some of the things offhand that come to mind.

Yes? Let me get my old friend from southeast Georgia.

URBAN POLICIES

Q. Talk about the problems with the suburbs and the major cities. It's not just a Georgia problem, I understand.

THE PRESIDENT. That's right. We'll have an urban package to put forward in March. Of course, the thing to remember is that almost every program that we put to the Congress or every budget item on the domestic scene is oriented primarily to the urban areas, because that's where your major concentrations of unemployment and the major problems are. Even many of the aspects of the agriculture bill, you know, relate to urban dwellers.

Food stamp reform, which was accomplished last year, is one example. We'll have a substantial increase in the allotment of funds for housing, for urban development, for education, for transportation, for providing jobs for those who are currently unemployed. And I think we've brought back a great deal of the balance that ought to exist between the downtown, sometimes deteriorating urban centers on the one hand, and the suburban areas on the other.

We are trying to rebuild both the interest at the local community level and also the Federal Government involvement in the downtown urban areas which, I think, had been to some degree neglected. Quite often the Congress would design a program in the past for the more rapidly deteriorating, more needy parts of the country, but because of the better organization, higher level of education and public awareness, higher degree of political influence, the suburbs, completely legally, would get most of the benefits of

those programs. We are trying to provide a better balance now.

Q. Thank you.

THE PRESIDENT. Good to see you up here.

FRIENDSHIP FORCE

Q. Mr. President, thank you for recognizing me. I don't think my family would have let me come home if I had not mentioned this to you today.

My oldest daughter has just returned—or shortly returned from Caracas, Venezuela, having participated in one of your people-to-people programs.

THE PRESIDENT. Oh, great.

Q. She wanted me to report to you that her trip, at least, was a tremendous success. This does seem like a pretty effective way to improve relations between nations on a people-to-people basis and a relatively inexpensive one. Do you have plans to expand this program—

THE PRESIDENT. Yes.

Q. —to make it available to more Americans?

THE PRESIDENT. Yes. I wish all of you would mention this when you get back home in your own way. [*Laughter*]

My wife initiated this program. It's called the Friendship Force. We started it when I was Governor of Georgia. Every year we would send a planeload of people down to Brazil, and we'd bring the same plane back to Georgia full of Brazilians. And each group would stay about 10 days—never stayed in a motel or hotel; they stayed in private homes. The expenses are very, very low, like \$250 for the round trip, which is the only expense. The only thing you had to do was to pay your way down and back, that very modest amount, and get one of your neighbors to take a Brazilian in the home.

Since then, my own family—this has nothing to do with government, it's all

outside the government—since then, my mother's been to Ireland on a trip. This one actually originated in Des Moines, Iowa. And Mother just went out and joined them to fly over to Ireland and spent 10 days and came back. My mother-in-law and my brother-in-law went to England, to Newcastle, England. This trip to Caracas, I think, originated in Tennessee, did it not?

Q. Yes, sir; in Nashville.

THE PRESIDENT. And my second son, Chip, and his wife will go from Connecticut this coming week, I think, to Tel Aviv, to Israel, and stay over there. I think there will be 420 people on a 747 going from Connecticut to Israel. And that same plane will bring 425 Israelis over here to stay in the Connecticut area. It's one of the finest programs I've ever seen. It really generates a genuine interest in each other's countries.

And we'd like for that to happen all over the Nation. If you have an interest in it, you could write my wife. And I think if you could stir up a planeload of people, you would find that your problem would be trying to keep the crowd down, rather than to recruit people. It's a wonderful, nongovernmental program that I think is worthy of legitimate pride. I'm glad you brought it up.

#### U.S. FORCES IN EUROPE

Q. Mr. President, Steve Frady from Carson City, Nevada. Do you intend to use the troops leaving South Korea to meet the pledge you made to the NATO nations?

THE PRESIDENT. Yes. Those troops will probably come back to our country to a staging area. We will increase in the NATO area our troop placement, in this 18-month period, about 8,000. We now have about 210,000, roughly, soldiers in Europe and roughly 300,000 in all, in-

cluding the Air Force and the Navy, plus another 50,000, approximately, in ships around the European theater.

But we are trying, also, at the same time, to make a more efficient use of our money. We'll reduce substantially the projected defense expenditures below what President Ford had projected for 1979. But at the same time, we'll have a real growth above the inflation rate of about 3 percent in outlays or expenditures this coming fiscal year. We are trying to cut down waste, and we're trying to orient our forces where they're most needed.

We also are preparing—by stockpiling materiel in the European theater and by having a much more mobile military capability—we are trying to reduce substantially the amount of time it would take to shift continent-based, United States-based mobile units over into Europe if it became necessary. Of course, what we are doing this for is not to create a war but to provide an open, sure demonstration to the Warsaw Pact nations that we are capable of defending Europe, along with our European allies.

So, when we do bring the troops back from Korea, they won't be disbanded. They'll be used on this continent as a reserve force that can be used in Europe expeditiously, if necessary.

Let me just take one more question.

Q. Mr. President, you may be sorry.

THE PRESIDENT. That's all right.

Q. This is going to be a Marston question. [Laughter]

THE PRESIDENT. Go ahead.

#### U.S. ATTORNEY DAVID MARSTON

Q. It seems to have become, from a local political squabble, it has escalated into a national test of the political climate of this administration. I wonder if any thought had been given to the heavy burden that whatever Democratic appointee would carry going in there, having to pro-

duce indictments, whether they're called for or not, simply to prove that he did his job?

THE PRESIDENT. Well, it may or may not be a Democrat. I don't think that's been decided. I'm repeating substantially what the Attorney General has said. I never heard of Mr. Marston until just recently.

We have literally dozens of these appointments all over the Nation. And the Attorney General generally works out the decision whether to replace the incumbent and, if so, you know, whom to choose as a replacement.

He decided, apparently last March, that Mr. Marston ought to be replaced. I don't think it's a responsibility of the President to outline to the public the reasons that the Attorney General did not think Mr. Marston ought to stay there. I have no inclination to criticize him or any other person that is being replaced.

Because there were ongoing investigations, the Attorney General decided not to make the change immediately. The Pennsylvania congressional delegation—I think, to be honest, the Democrats there—finally came to me because of the delay. Once a decision was made, they thought in order to get rid of a very serious political dispute that kept going on, that the Attorney General ought to name his successor.

At that time, I still didn't know who Mr. Marston was, but I relayed the congressional concerns to the Attorney General. He replied to me that he had long ago decided to replace Mr. Marston and that he was determined to make that replacement on the basis of merit only and requested that the Democratic Members of Congress not become involved in trying to help choose a successor, to let him do it on strictly a basis of merit. And I said that's what I would like to do.

The congressional Members assured me that although some of them in the past had recommended persons to take that job, that they would withdraw from that process and let the Attorney General do it, because of the controversy, apparently, that was surrounding this case in Philadelphia, that they would just get out of it and let the Attorney General make it.

I don't have any doubt that the Attorney General will make an excellent selection. I think he would have without the publicity. Now, it's incumbent on him to make sure that when the choice is made and the announcement is made—I make the final approval—that there's a sigh of relief and a general consensus, assessment, that this replacement for Mr. Marston is indeed highly qualified.

We're not ignorant about who—among what group the choice will be made. The Attorney General has been checking with the top members of the bar, the judges in that area, and so forth, to make sure that the people that he is now considering are all highly qualified.

It's a slow, tedious process. After he decides whom he wants—and he has not yet told me whom he will recommend—but after he decides then the FBI has to do a long, tedious check to make sure that there's nothing in the person's background that might cause embarrassment.

We're going through the same process on a number of other appointments. The FBI Director is one of the most important. I've just done the same thing, as you know, to choose a Chairman of the Federal Reserve Board. It's one of the time-consuming responsibilities that I have.

But I'm positive that there will be no distortion of the attitude or commitment to prosecute, or to decide whether or not to prosecute, by the replacement for Mr. Marston. There are about 40 attorneys

in that office in addition to Mr. Marston, I understand. And they will continue any investigation that's underway.

I did not know until yesterday that any Member of Congress was being investigated by Mr. Marston. It's just one of those things that was of high interest in Philadelphia that had not come to my attention until I encountered it yesterday, you know, with the press conference.

Q. Thank you, sir.

THE PRESIDENT. But I think you can be assured that it will be a good appointment. And I think, without derogating Mr. Marston at all—which I don't have the inclination to do—I hope and expect that it will be well received in Philadelphia.

Let me thank you again. I've had a chance to meet with editorial groups like yourselves, I think, every 2 weeks since I've been here. It's a kind of an unprecedented thing, but it helps me more than it does you, just to learn what your interests are particularly from around the Nation.

The White House press corps is a highly professional group, I guess among the best newsmen in the world. But they, like I do, live right here in Washington. And I get a much more widely ranging series of questions from you than I do from them. And I thank you for being willing to come to Washington to meet with us. I know you've met with several of the people on the White House staff this morning, including Dr. Brzezinski. I'm sure you got a good response from them as well.

NOTE: The interview began at 2:30 p.m. in the Cabinet Room at the White House.

The transcript of the interview was released on January 14.

## Hubert H. Humphrey

*Statement on the Death of the Senator From Minnesota. January 14, 1978*

From time to time, our Nation is blessed by the presence of men and women who bear the mark of greatness, who help us see a better vision of what we can become. Hubert Humphrey was such a man.

For 30 years, his voice was heard from one end of this country to the other—most often in defense of the oppressed, the hungry, the victims of poverty and discrimination. All of us will miss that voice.

It was as familiar to Americans as the voice of a member of the family. And, in a sense, Hubert Humphrey was a member of every family in America.

Hubert Humphrey was a fundamentally happy man—a man who really did love his fellow human beings. In victory and in defeat, he set an example of generosity, sincerity, and hope.

The only thing more courageous than the way in which he led his life was the manner in which he left it.

In our laws and institutions, his memorials will endure. The most lasting of them will be in our hearts.

Rosalynn and I extend our deepest sympathy to Muriel Humphrey and her family.

## Hubert H. Humphrey

*Remarks at Memorial Services at the Capitol. January 15, 1978*

At critical times in our history, the United States has been blessed by great

people who, just by being themselves, give us a vision of what we are at our best and of what we might become. Hubert Humphrey was such a man.

In a time of impending social crisis, 30 years ago, his was the first voice I ever heard, a lone voice, persistently demanding basic human rights for all Americans. It was the most difficult moral and social issue that my own generation would have to face. In those early days, his was a clear voice, a strong voice, a passionate voice which recruited others to join in a battle in our own country so that equal rights of black people could be gained to vote, to hold a job, to go to school, to own a home.

I first met Hubert Humphrey when he was Vice President—torn because his heart was filled with love and a yearning for peace, while at the same time he was meticulously loyal to a President who led our Nation during an unpopular war.

I also remember him in a time of political defeat, courageously leading a divided Democratic Party, losing his uphill campaign for President by just a few votes. But he was a big man, and without bitterness he gave his support to the new President, and then came back later to the Senate to serve his Nation once again.

For the last year of his life I knew him best, and that's when I needed him most. Despite campaign disagreements and my own harsh words spoken under pressure and in haste, it was not his nature to forget how to love or to forgive.

He has given me freely what I need—the support and understanding of a close and true friend, the advice of a wise and honest counselor.

When he first visited me in the Oval Office, I felt that he should have served there. I know that he's been an inspiration and a conscience to us all, but especially

to the leaders of our Nation—to Harry Truman, to Dwight Eisenhower, to John Kennedy, to Lyndon Johnson, to Richard Nixon, to Gerald Ford, and to me. We and our families are here today to testify that Hubert Humphrey may well have blessed our country more than any of us.

His greatest personal attribute was that he really knew how to love. There was nothing abstract or remote about it. He did not love humanity only in the mass. You could feel it in the scope of his concern, in his words, in the clasp of his hands, in the genuine, eager interest in his eyes as he looked at you.

He always spoke up for the weak and the hungry and for the victims of discrimination and poverty. He never lost sight of our own human possibilities. He never let us forget that in our democratic Nation we are a family, bound together by a kinship of purpose and by mutual concern and respect. He reminded us that we must always protect and nurture the other members of our national family.

Yesterday, as messages poured in to me as President and to the members of the Humphrey family from throughout the world, I realized vividly that Hubert Humphrey was the most beloved of all Americans, and that his family encompassed not just the people of the United States but of all people everywhere.

He asked, as the Vice President has said, that this service be a celebration, and in a way that's what it is. Even as we mourn his death, we celebrate because such a man as Hubert Humphrey was among us. The joy of his memory will last far longer than the pain and sorrow of his leaving.

NOTE: The President spoke at 11:25 a.m. in the Rotunda of the Capitol. The services were broadcast live on radio and television.

Jan. 16

*Administration of Jimmy Carter, 1978*

## Hubert H. Humphrey

*Proclamation 4545. January 16, 1978*

### DEATH OF HUBERT H. HUMPHREY

*By the President of the United States  
of America*

#### A Proclamation

As a special mark of respect to the memory of the Honorable Hubert H. Humphrey, former Vice President of the United States of America and Senator from the State of Minnesota, I, Jimmy Carter, President of the United States of America do hereby proclaim, by virtue of the authority vested in me by a Joint Resolution of the Congress (36 U.S.C. 178), that the period of public tribute and appreciation shall be extended and the flag of the United States shall be flown at half-staff on all buildings, grounds, and naval vessels of the Federal government in the District of Columbia, and throughout the United States and its Territories and possessions until, and including January 19, 1978, the day the 95th Congress of the United States reconvenes.

I also direct that the flag shall be flown at half-staff for the same length of time at all United States embassies, legations, consular offices, and other facilities abroad, including all military facilities and naval vessels and stations.

May this period, as Senator Humphrey wished, "be a time to celebrate life and the future" even though we cannot escape the pain and sorrow of his leaving.

IN WITNESS WHEREOF, I have hereunto set my hand this sixteenth day of January, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
1:35 p.m., January 16, 1978]

## Hubert H. Humphrey

*Eulogy Delivered at Funeral Services in  
St. Paul, Minnesota. January 16, 1978*

Not too long ago I invited Senator Humphrey to go to Camp David to spend the weekend with me. He had never been there before, and he was very effusive in his thanks, telling me over and over how great a favor I had done for him. It was the greatest favor I ever did for myself.

We spent 2 days on top of a mountain, in front of a fireplace, just talking and listening. We talked about people—common, ordinary people and great people in our country and all around the world. With some he had had very friendly and good relations. They had always supported him in his campaign and always had good things to say about him. Others had sometimes disappointed him, and he had not always had their support. But he never said a word of criticism. He tried to search in his own mind, no matter who it was, and find something good to say.

We talked about pain, about the physical pain that I could see that he was bearing. We talked about the pain of losing a political campaign. We talked about the pain of frustration when you have high hopes and great dreams and human fallibilities won't let you realize them all. But I never detected in any of his words any bitterness.

Yesterday I was honored to speak about Hubert Humphrey at the Nation's Capitol. I talked about what he had meant to our own Nation. But he knew, as I know and Vice President Mondale knows, that one of the responsibilities of those who serve in the White House is to look beyond our Nation's borders, to foreign countries. He traveled a lot, and he told me about the world leaders with whom he had met. He told me about the months during the Vietnam war when he was Vice President and how when he rode



down the streets or got off the airplane or visited a college campus with his heart full of love, quite often he didn't see love in the faces of the crowds who faced him, and he didn't see love on the signs and the banners that confronted him and his President. He had a yearning for peace, and we talked about the mechanisms of peace—not always a popular subject for a political figure in a nation as proud of its military strength and its great influence. But in kind of a quiet and unpublicized way, because of what was in him, he was the expression of the good and decent and peaceful attributes of our great, strong, powerful Nation.

He was always dedicated to breaking the logjams in the cold war. He expressed a deep hope that we and the Soviet Union might reach agreements on difficult questions and resolve longstanding differences and get to know each other and search for a way to reduce the mad scramble for superiority in nuclear weapons.

We talked about the Arms Control and Disarmament Agency, set up now to negotiate how we might reduce and perhaps eliminate atomic weapons, and I discovered almost by accident that the author of that legislation was Hubert Humphrey.

We talked about the sale of military weapons to other nations, particularly the poor nations, the developing nations, the hungry nations, who respond to the temptations of technological progress and the threats from border states and come to us, above all others, and other nations as well, to buy guns and ammunition to kill.

We are trying to change that policy, and we talked about it and the mechanism under which we are trying to reduce our own participation in the marketing of weapons. It's his legislation.

One of the most difficult questions that a President has to face, or even a Member of Congress, is foreign aid. It's

not popular in our country to be for foreign aid programs. But one of the stalwart defenders of our foreign aid program, the leader in the Congress, was Hubert Humphrey. He didn't see foreign aid as a giveaway program. He didn't see foreign aid as billions of dollars going from our Nation to others. He saw human needs.

We talked about the sick people that he had seen overseas, with no medical care at all, and the unbelievable hunger that he had seen in families where the average income for a whole nation was sometimes less than 25 cents a person a day.

So, he saw foreign aid as a great investment from a rich nation, a pittance almost, compared to what we earn and have, that builds up a wellspring of friendship between us and those hungry people.

We talked about the newly developing interest in our own Government toward Africa, not more than a year or two old, but it was not new to Hubert Humphrey. He was familiar with Africa, the nations therein, the people who live there, their hopes and yearnings and frustrations and desire to be something and to have their own governments. He knew about Asia, and he knew about Indonesia, and he talked about these things, not as a lecturer, but almost as a representative of those people, not just Minnesota. He reached beyond our borders.

It was a long time after my mother went to the Peace Corps that I knew that the Peace Corps was Hubert Humphrey's idea. It was an idea that he put forward a long time ago, and it was eventually adopted and put into effect when John Kennedy was President, an opportunity for American young people to go overseas for, I think, \$11 a month and get to know other people and serve them. And along with Senator McGovern, he initiated the idea of the Food for Peace program.

He and I talked about religion, about how deep his faith had grown since he became very ill. We talked about sin and how we know that everyone sins and we fall short of the glory of God, but how God forgives us.

Just a few days ago I was in India, and I was visiting the tomb—or the memorial to Mahatma Gandhi, where his body was cremated. And I didn't think about Senator Humphrey—I have to admit it—until I started to leave. And one of the Indian leaders took me over to a wall, and there on the wall there was a quote from Gandhi and the title of it was, "The Seven Sins." And when I saw that, I thought about Senator Humphrey's discussion on sin, and I jotted it down.

According to Gandhi, the seven sins are wealth without works, pleasure without conscience, knowledge without character, commerce without morality, science without humanity, worship without sacrifice, and politics without principle.

Well, Hubert Humphrey may have sinned in the eyes of God, as we all do, but according to those definitions of Gandhi's, it was Hubert Humphrey without sin.

NOTE: The President spoke at 4:25 p.m. at the House of Hope Presbyterian Church. The services were broadcast live on radio and television.

## Panama Canal Treaties

*Question-and-Answer Session by Telephone With Participants in a Townhall Meeting on the Treaties in Hattiesburg, Mississippi. January 16, 1978*

AUBREY LUCAS. Hello, Mr. President?

THE PRESIDENT. Yes, I'm right here waiting for your question, and I want to congratulate you, first of all, at the University of Southern Mississippi, and also the national Foreign Policy Association,

for letting this debate take place. If you have a question for me, I'd be glad to answer it.

I've just come back from the final funeral ceremonies for Senator Humphrey.

DR. LUCAS. Yes, we appreciate your talking with us this evening.

You are probably aware that we are a group of citizens gathered here on the campus of the University of Southern Mississippi in Hattiesburg. We've had a very interesting debate, and we now have some questions that we would like to put to you. I'll ask the question. First I'll tell you who formulated the question, and then we will ask as many as you want.

Mr. David Farber asked this question. Do you feel that the Panama Government has the strength and the ability to control and to operate the canal without being intimidated by the powers of the world?

THE PRESIDENT. Well, the answer is yes. Not only is General Torrijos a very popular leader in Panama, as has been observed by almost half the Members of the United States Senate who visited there, but just to make sure that he convinced us and the Panamanians and the rest of the world that it was not a transient commitment, just depending upon him and his personality or his present government, on his own initiative he submitted the question of ratifying the Panama Canal treaties to the people of Panama in a referendum. And as you know, by approximately a two-thirds vote, the people of Panama did approve the treaties.

This is obviously legally binding on Panama in accordance with international law, and in addition, it demonstrated to us that not just the government but the people themselves confirmed the treaty terms.

In addition to the treaty itself, General Torrijos described to the Panamanian

people the memorandum of understanding between him and me, which spells out in very clear words the right of the United States during this century and in the next century to take whatever action we deem necessary to defend the canal and to guarantee its neutrality if it is endangered. Also, in that memorandum of understanding, which was spelled out to the Panamanian people, is a provision that in a time of emergency or need that ships of the United States have the right to go to the head of the line and also to be expedited in their passage through the Panama Canal itself.

So, all these terms were presented to the Government of Panama, to General Torrijos, their leader, and also to the people, who ratified these terms.

DR. LUCAS. May we give you another question?

THE PRESIDENT. Yes. That was a good question from Mr. Farber.

DR. LUCAS. This question is from Mr. Paul Herrick, and he asks, if the canal treaties are not ratified, what political consequences do you anticipate taking place in Panama?

THE PRESIDENT. Well, for the last 14 years, under four different Presidents, we've been negotiating with Panama in good faith on both sides to outline the terms of the treaties. They have never threatened us. They've negotiated in good faith. They've never insinuated that if the treaties were rejected, that there might be some danger to the canal. We've acted as best we could as a responsible negotiator. They've done the same.

As you know, after the treaties were approved by me and General Torrijos, then they were submitted to the Panamanians in a referendum. They voted for them.

I think if the Senate should fail to ratify the treaties, if they are rejected, that General Torrijos and his government would

do the best they could to prevent any sort of threat to the Panama Canal.

If there is some dissident group there, a Communist group or an irresponsible group of students or some other group of Panamanians or outside agitators who tried to attack the canal, it would be my responsibility as President to defend the canal against any such threat.

We have the military strength to do it, and I would take that action. But the Joint Chiefs of Staff have estimated that it might take 100,000 American troops to defend the canal. It's quite vulnerable to a hand grenade or to a planted explosive. And of course, what we want is the Panama Canal to be open, free for use, free of danger.

The best way to ensure that this is the case is to work in harmony with the Panamanians, to form, in effect, a partnership with them, protecting the interests of America, protecting the interests of Panama.

We have outlined the terms of the treaty very clearly so that the governing board would have five Americans, four Panamanians. Our Government would appoint all nine of those members. It would be in effect for 23 years. And obviously, during that time, the Panamanians would have adequate opportunity to learn how to operate the canal. One of the great engineering characteristics of the canal and its locks is the simplicity of operation.

So, I think that if the treaties were rejected, there might be some attempt to disrupt the canal. We could reject that. We are not operating under threat or fear or weakness. We hope to operate in cooperation and partnership with Panama. We want the canal to be open and free for international use. We want ourselves to have the right to defend it if necessary.

All these things would prevail if the Panama Canal treaties are ratified. Our

interests would be protected. And instead of having the constant threat of disruption by dissident groups who acted contrary to the interests of the Panamanian Government, we would be operating as partners in cooperation to make sure the canal is open, free for our use, for Panama ships' use, and for the use of the ships from all around the world. That's what we want.

DR. LUCAS. Mr. President, we are told that we have time for one more question. This one is asked by Ricky Dyson. What assurance do we have that if we sign the treaty, Panama will not become hostile toward the United States? If this happens, can we recapture and operate the canal in a state of guerrilla warfare?

THE PRESIDENT. Well, obviously, the best way to guarantee the friendship of Panama, its government and its people, is to carry out our part of the negotiating bargain in good faith and to ratify the treaties that have been agreed between us and them.

It's obvious to me that anyone who wanted to disrupt the friendship between ourselves and Panama, between ourselves and all the Latin American countries, between ourselves and the rest of the developing world, would be very much in favor of the treaties being rejected. If we reject the treaties and go back on the negotiating principles that we've espoused for the last, as I say, 14 years, this would be a good opening for outside agitating groups, the Communists from perhaps Cuba or other countries or the few Communists that might be in Panama or in our country, to take advantage of this temporary absence of harmony and go in and create dissension.

So, the best way to ensure friendship between us and Panama and the best way to ensure the advantages of ourselves and that small country as well, the best way to keep the canal open for ourselves and

the use of other ships is to go ahead and ratify the treaties that we have negotiated in good faith and which the Panamanians have already ratified and also voted for in a plebiscite. That is what we ought to do. That's what we, I believe, will do.

DR. LUCAS. Mr. President, thank you for talking with us this evening, and we would be honored to have you visit us here.

THE PRESIDENT. Well, it would be a great pleasure. As you know, Mississippi has a special place in my heart. I flew back from Minneapolis just a few minutes ago with Senator Eastland, and I'll always remember the warmth with which the Mississippi people took me in during the campaign. And I'll never forget that late evening vote when I finally was elected President of the United States, and the State that put me over the top was Mississippi.

So, thanks to all my friends in Mississippi. And I believe we've got a good canal agreement negotiated, and I hope and expect that it will be ratified.

Thank you very much.

DR. LUCAS. Good night, Mr. President.

NOTE: The President spoke at 8:15 p.m. from the Oval Office at the White House to the meeting in Burnett Auditorium at the University of Southern Mississippi. Aubrey Lucas is president of the university.

The meeting in Hattiesburg was one of a series of six town hall debates held around the country as part of the "Great Decisions" program of the Foreign Policy Association.

## Consumer Product Safety Commission

*Nomination of Three Commissioners.  
January 17, 1978*

The President today announced that he will nominate Susan B. King and Edith B.

Sloan to be Commissioners of the Consumer Product Safety Commission.

King, 37, served as Special Assistant to the Chairman of the Federal Election Commission from 1975 to 1977. She was vice president of the Center for Public Financing of Elections from 1973 to 1975 and Washington director of the National Committee for an Effective Congress from 1967 to 1973. She is presently working toward a J.D. at Catholic University Law School in Washington.

Sloan, 39, is director of the Office of Consumer Protection of the District of Columbia. She was executive director of the National Committee on Household Employment from 1969 to 1976. She was with the U.S. Commission on Civil Rights from 1965 to 1968 and with HARYOU-ACT Project Uplift in New York City in 1965. She was a delegate to the National Black Economic Caucus in 1975. She holds a J.D. from Catholic University.

The President also announced that he will renominate R. David Pittle for reappointment as a Commissioner of the Consumer Product Safety Commission. Pittle was nominated for the position on October 31, 1977, but was not confirmed before the Senate adjourned.

## Interstate Commission on the Potomac River Basin

*Appointment of Joseph D. Gebhardt as a Member. January 17, 1978*

The President today announced the appointment of Joseph D. Gebhardt, of Bethesda, Md., as a member of the Interstate Commission on the Potomac River Basin. He replaces Carl P. Croasdale, resigned.

Gebhardt, 31, is an associate with the Washington public interest law firm of

Dobrovir, Oakes, Gebhardt, Scull, specializing in litigation in such areas as consumer rights, government information, and voting rights. In 1973 he was a staff attorney for the Center on Corporate Responsibility.

## Panama Canal Treaties

*Question-and-Answer Session by Telephone With Participants in a Townhall Meeting on the Treaties in Albuquerque, New Mexico. January 17, 1978*

MARSHALL NASON. Good evening, Mr. President. This is Marshall Nason greeting you on behalf of the townhall meeting at the University of New Mexico in Albuquerque. Since you speak Spanish so nicely, I think we could say, *muy buenas noches, Señor Presidente* [a very good evening, Mr. President].

We greatly appreciate your willingness to share with us some of your views on the important issues of the Panama Canal treaties.

THE PRESIDENT. *Muchas gracias, Dr. Nason. Es gran placer para mi tener esta oportunidad. Sería mejor si hables también, pero en inglés, yo creo.* [Thank you, Dr. Nason. It is a great pleasure for me to have this opportunity. It would be better if you spoke in English, I believe.]

DR. NASON. *Bien, señor.* [Very well, sir.]

THE PRESIDENT. Do you have a question for me, Dr. Nason?

DR. NASON. Mr. President, we're aware that your time is limited and that you still have other commitments ahead of you this evening, even though it is 10 o'clock in Washington. So, we would now like to direct to you one question selected by our news media participants as being perhaps the most representative among those submitted by our audience.

This question was posed by Mr. William Bonney of Albuquerque and reads very briefly as follows: "Should the U.S. Senate fail to ratify the treaty, what would your next move be?"

THE PRESIDENT. First of all, let me thank Senator Schmitt, who is there, and also Ambassador Popper—I'm sure that they and you, Dr. Nason, have presented a very well balanced description of what the treaties mean to our Nation. I think they are fair to both the United States and Panama. Under six Presidents, three Republicans and three Democrats, there has been a recognition from the White House that the treaties that are presently in existence need to be modified.

These two treaties will give us, throughout this century and throughout the next century as well, the clear right to defend the canal, to ensure that it's open, neutral, available for the ships of all nations, that in a time of emergency or need, our ships can go to the head of the line and have rapid transit through the canal.

The negotiations have been going on ever since President Johnson was here, 14, almost 15 years ago, and they were just completed this past year. The Panamanians have negotiated in good faith; so have we. We've never been threatened. We've never had any unpleasantness in the negotiations. They have accepted the treaties that we signed, General Torrijos and I, and the Panamanian people have, through a plebiscite, approved them by almost a two-thirds majority, although there was a lot of opposition in Panama.

Now it's up to the Senate to act, and I believe that the Senate will ratify the treaties. However, if the treaties are not ratified, I think the Panamanian people will indeed doubt our good intentions and our good faith. I think the Latin American nations, and indeed the developing nations all over the world, will doubt that what we say about basic human rights and

fairness prevails with our large and powerful country. And in spite of the commitment that I have from General Torrijos and other government leaders in Panama that they will do everything possible to hold down any attacks or violence—and I don't have any doubt that they will—I think that there will be some demonstrations there by the Communists and by others who would like to create dissension between us and Panama.

I'll say this: Our Nation is strong enough militarily to defend the canal, and I would certainly take that action as President to guarantee that the canal is defended. The Joint Chiefs of Staff, all five of whom, by the way, strongly support the treaties that we have signed, have estimated that it might take 100,000 American troops to keep the canal open and free of damage.

I would hate to have to do this. Of course, as I said earlier, I would, if necessary. I don't know how long the American people would support a major military action of this kind. I would like to avoid it, and that's the purpose of the treaties, to make Panama and us not enemies, but partners, to keep us in a position of guaranteeing that the canal is well-operated, well-maintained, is not a drain on the American taxpayer, and is open.

So, if the canal treaties should be rejected by the Senate, it would be a severe blow, not only to the Panamanian people but to the American people as well. And under those circumstances, I would probably have to take emergency action, and I would, if necessary, to guarantee that the canal was open and defended. This is a prospect, however, that I don't anticipate, because I believe that there's a growing sentiment, both in the United States among our people and also among the Senators who have studied this matter so

carefully, that the treaties indeed should be ratified, and ratified without delay.

I hope I've answered your question adequately.

DR. NASON. Thank you most sincerely, Mr. President. On behalf of our audience, it's been a very real privilege for us to hear from you personally on this vital issue. And *ahora, desde Nuevo Mexico decimos muy buenas noches, Señor Presidente, y mil gracias.* [And now from New Mexico we say a very good evening, Mr. President, and many thanks.]

THE PRESIDENT. *Muchas gracias a todos.* [Many thanks to all of you.]

NOTE: The President spoke at 9:45 p.m. from the Oval Office at the White House to the meeting in the Ballroom at the Student Union Building at the University of New Mexico. Marshall Nason is director of the Latin American Center at the university.

In his remarks, the President referred to Senator Harrison H. Schmitt of New Mexico and David H. Popper, Deputy for Panama Canal Treaty Affairs, Department of State.

## 75th Anniversary of Wireless Communications

*Statement by the President. January 18, 1978*

Seventy-five years ago, a new era of international communications was heralded in by a historic exchange of messages across the Atlantic. On January 18, 1903, President Theodore Roosevelt first used the Marconi wireless to send the following message to Edward VII of England from a station on Cape Cod:

"In taking advantage of the wonderful triumph of scientific research and ingenuity which has been achieved in perfecting a system of wireless telegraphy, I extend on behalf of the American people most cordial greetings and good wishes to you and [to all] the people of the British Empire."

Edward VII replied via the Poldhu Station in Cornwall, England:

"I thank you most sincerely for the kind message which I have just received from you through Marconi's transatlantic wireless telegraphy. I sincerely reciprocate in the name of the people of the British Empire the cordial greetings and friendly sentiment expressed by you on behalf of the American nation, and I heartily wish you and your country every possible prosperity."

That exchange marked a milestone in the history of communications. Since then, we have built on the invention of the distinguished Italian physicist Guglielmo Marconi and others, a global communications system that allows instant contact not only between heads of state but peoples of all nations.

In recalling that historic message, it is fitting that we commemorate the event both with gratitude for the ways in which science and engineering have helped to unite us and with fervent hopes that such communications will serve the future course of peace and human progress everywhere.

## United States Ambassador to Poland

*Nomination of William E. Schaufele, Jr.  
January 19, 1978*

The President today announced that he will nominate William E. Schaufele, Jr., of Avon Lake, Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States to Poland. He will replace Richard T. Davies, resigned.

Schaufele was born December 7, 1923, in Lakewood, Ohio. He received a B.A. in 1948 from Yale University and an M.I.A. in 1950 from Columbia Univer-

sity. He served with the United States Army from 1942 to 1946.

He entered the Foreign Service in 1950 as Resident Officer to Pfaffenhofen/Ilm and Augsburg (Germany). From 1950 to 1967, he held a variety of Foreign Service positions, including Deputy Director of the Office of Central African Affairs (1965) and Ambassador to Upper Volta (1969-71). Schaufele was assigned to the United Nations Mission, where he served as Senior Adviser to the United States Representative from 1971 to 1973. He was Deputy Representative of the United States in the Security Council of the United Nations from 1973 to 1975. From 1975 to 1977, he was Assistant Secretary of State for African Affairs.

## United States Ambassador to Gabon and to Sao Tome and Principe

*Nomination of Arthur T. Tienken.  
January 19, 1978*

The President today announced that he will nominate Arthur T. Tienken, of Arlington, Va., to be Ambassador Extraordinary and Plenipotentiary of the United States to the Gabonese Republic and to the Democratic Republic of Sao Tome and Principe. He will succeed Andrew L. Steigman, resigned.

Mr. Tienken was born August 5, 1922, in Yonkers, N.Y. He received his B.A. in 1947 and M.A. in 1949 from Princeton University. He served in the United States Army from 1943 to 1946. He was with the Educational Testing Service of Princeton University from 1947 to 1948, part time.

Tienken entered the Foreign Service in 1949 as Resident Officer in Frankfurt and

held various other positions through 1972. He was Diplomat in Residence at Marquette University from 1972 to 1973. From 1973 to 1975, he was Deputy Chief of Mission in Tunis and since 1975 has been Deputy Chief of Mission in Addis Ababa.

## South Pacific Commission

*Appointment of Vernon A. Mund as an Alternate U.S. Representative.  
January 19, 1978*

The President today announced the appointment of Vernon A. Mund, of Seattle, Wash., to be an Alternate Representative of the United States on the South Pacific Commission for the term of 2 years. He will replace Frederick W. Rohlfing, term expired.

Mund was born June 5, 1906, in Larchmont, Iowa. He received a B.B.A., 1928, and an M.B.A., 1929, from the University of Washington. He received a Ph. D. in 1932 from Princeton University. From 1931 to 1932, he was an instructor at Princeton University. He was professor of economics at the University of Washington from 1937 to 1975.

## Harry S Truman Scholarship Foundation and Legal Services Corporation

*Recess Appointments to the Foundation and Corporation. January 19, 1978*

The President today announced two recess appointments. The nominations were sent to the Senate on December 12 but were not confirmed before the session ended. They are John W. Snyder as a member of the Board of Trustees of the Harry S Truman Scholarship Foundation; and the following persons to be



members of the Board of Directors of the Legal Services Corporation: Cecilia Esquer, Steven Engelberg, Hillary Rodham, Richard Trudell, Josephine Worthy.

## American Heart Month, 1978

*Proclamation 4546. January 19, 1978*

*By the President of the United States  
of America*

### A Proclamation

Diseases of the heart and blood vessels afflict some thirty million Americans. Each year cardiovascular disorders claim nearly one million lives and cost our economy nearly forty-eight billion dollars in lost wages, lost productivity, and medical expenses.

Since 1948, a concerted national effort has been under way to reduce illness, disability, and death from heart and blood vessel diseases through nationwide programs of biomedical research in the cardiovascular field, training of research workers and clinicians, information and education programs for health professionals and for the general public, and community service activities concerned with prevention, detection, and control of cardiovascular disorders.

These efforts have been spearheaded by the National Heart, Lung, and Blood Institute, a federal agency, and the American Heart Association, a voluntary health organization supported through private contributions. Since 1948, their combined outlay in support of the national battle against cardiovascular diseases has totaled nearly three billion dollars.

During these thirty years, an immense amount of new knowledge about the

cardiovascular system and its diseases has been amassed and much of it has found application in better methods of prevention, diagnosis, and treatment. In addition, many Americans have modified their diets, established sensible and regular exercise programs, changed their smoking habits, or have otherwise altered their lifestyles to achieve better cardiovascular health. As a result, mortality rates have declined steadily since 1950 in nearly all major cardiovascular disease categories and the total number of deaths among Americans from these diseases is the lowest it has been since 1965.

But these encouraging results are no excuse for complacency. On the contrary, they show that it is only through sustained dedication and cooperation among public officials, community leaders, private institutions, and the American people that we have any chance of controlling this threat to the health of our Nation.

Recognizing the need for all Americans to join forces in the battle against cardiovascular disease, the Congress, by joint resolution approved December 30, 1963 (77 Stat. 843; 36 U.S.C. 169b) has requested the President to issue annually a proclamation designating February as American Heart Month.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim the month of February, 1978, as American Heart Month. I invite the Governors of the States, the appropriate officials of all other areas subject to the jurisdiction of the United States and the American people to join with me in reaffirming our commitment to the search for new ways to prevent, detect and control cardiovascular disease in all its forms.

IN WITNESS WHEREOF, I have hereunto set my hand this nineteenth day of January, in the year of our Lord nineteen hundred seventy-eight, and of the Inde-

pendence of the United States of America the two hundred and second.

JIMMY CARTER

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## The State of the Union

*Address Delivered Before a Joint Session of the Congress. January 19, 1978*

*Mr. President, Mr. Speaker, Members of the 95th Congress, ladies and gentlemen:*

Two years ago today we had the first caucus in Iowa, and one year ago tomorrow, I walked from here to the White House to take up the duties of President of the United States. I didn't know it then when I walked, but I've been trying to save energy ever since. [*Laughter*]

I return tonight to fulfill one of those duties of the Constitution: to give to the Congress—and to the Nation—information on the state of the Union.

Militarily, politically, economically, and in spirit, the state of our Union is sound.

We are a great country, a strong country, a vital and a dynamic country—and so we will remain.

We are a confident people and a hard-working people, a decent and a compassionate people—and so we will remain.

I want to speak to you tonight about where we are and where we must go, about what we have done and what we must do. And I want to pledge to you my best efforts and ask you to pledge yours.

Each generation of Americans has to face circumstances not of its own choosing, but by which its character is measured and its spirit is tested.

There are times of emergency, when a nation and its leaders must bring their energies to bear on a single urgent task.

That was the duty Abraham Lincoln faced when our land was torn apart by conflict in the War Between the States. That was the duty faced by Franklin Roosevelt when he led America out of an economic depression and again when he led America to victory in war.

There are other times when there is no single overwhelming crisis, yet profound national interests are at stake.

At such times the risk of inaction can be equally great. It becomes the task of leaders to call forth the vast and restless energies of our people to build for the future.

That is what Harry Truman did in the years after the Second World War, when we helped Europe and Japan rebuild themselves and secured an international order that has protected freedom from aggression.

We live in such times now, and we face such duties.

We've come through a long period of turmoil and doubt, but we've once again found our moral course, and with a new spirit, we are striving to express our best instincts to the rest of the world.

There is all across our land a growing sense of peace and a sense of common purpose. This sense of unity cannot be expressed in programs or in legislation or in dollars. It's an achievement that belongs to every individual American. This unity ties together, and it towers over all our efforts here in Washington, and it serves as an inspiring beacon for all of us who are elected to serve.

This new atmosphere demands a new spirit, a partnership between those of us who lead and those who elect. The foundations of this partnership are truth, the courage to face hard decisions, concern for one another and the common good over special interests, and a basic faith and

trust in the wisdom and strength and judgment of the American people.

For the first time in a generation, we are not haunted by a major international crisis or by domestic turmoil, and we now have a rare and a priceless opportunity to address persistent problems and burdens which come to us as a nation—quietly and steadily getting worse over the years.

As President, I've had to ask you, the Members of Congress, and you, the American people, to come to grips with some of the most difficult and hard questions facing our society.

We must make a maximum effort, because if we do not aim for the best, we are very likely to achieve little. I see no benefit to the country if we delay, because the problems will only get worse.

We need patience and good will, but we really need to realize that there is a limit to the role and the function of government. Government cannot solve our problems, it can't set our goals, it cannot define our vision. Government cannot eliminate poverty or provide a bountiful economy or reduce inflation or save our cities or cure illiteracy or provide energy. And government cannot mandate goodness. Only a true partnership between government and the people can ever hope to reach these goals.

Those of us who govern can sometimes inspire, and we can identify needs and marshal resources, but we simply cannot be the managers of everything and everybody.

We here in Washington must move away from crisis management, and we must establish clear goals for the future—immediate and the distant future—which will let us work together and not in conflict. Never again should we neglect a growing crisis like the shortage of energy,

where further delay will only lead to more harsh and painful solutions.

Every day we spend more than \$120 million for foreign oil. This slows our economic growth, it lowers the value of the dollar overseas, and it aggravates unemployment and inflation here at home.

Now we know what we must do—increase production. We must cut down on waste. And we must use more of those fuels which are plentiful and more permanent. We must be fair to people, and we must not disrupt our Nation's economy and our budget.

Now, that sounds simple. But I recognize the difficulties involved. I know that it is not easy for the Congress to act. But the fact remains that on the energy legislation, we have failed the American people. Almost 5 years after the oil embargo dramatized the problem for us all, we still do not have a national energy program. Not much longer can we tolerate this stalemate. It undermines our national interest both at home and abroad. We must succeed, and I believe we will.

Our main task at home this year, with energy a central element, is the Nation's economy. We must continue the recovery and further cut unemployment and inflation.

Last year was a good one for the United States. We reached all of our major economic goals for 1977. Four million new jobs were created—an alltime record—and the number of unemployed dropped by more than a million. Unemployment right now is the lowest it has been since 1974, and not since World War II has such a high percentage of American people been employed.

The rate of inflation went down. There was a good growth in business profits and investments, the source of more jobs for our workers, and a higher standard of living for all our people. After taxes and in-

flation, there was a healthy increase in workers' wages.

And this year, our country will have the first \$2 trillion economy in the history of the world.

Now, we are proud of this progress the first year, but we must do even better in the future.

We still have serious problems on which all of us must work together. Our trade deficit is too large. Inflation is still too high, and too many Americans still do not have a job.

Now, I didn't have any simple answers for all these problems. But we have developed an economic policy that is working, because it's simple, balanced, and fair. It's based on four principles:

First, the economy must keep on expanding to produce new jobs and better income, which our people need. The fruits of growth must be widely shared. More jobs must be made available to those who have been bypassed until now. And the tax system must be made fairer and simpler.

Secondly, private business and not the Government must lead the expansion in the future.

Third, we must lower the rate of inflation and keep it down. Inflation slows down economic growth, and it's the most cruel to the poor and also to the elderly and others who live on fixed incomes.

And fourth, we must contribute to the strength of the world economy.

I will announce detailed proposals for improving our tax system later this week. We can make our tax laws fairer, we can make them simpler and easier to understand, and at the same time, we can—and we will—reduce the tax burden on American citizens by \$25 billion.

The tax reforms and the tax reductions go together. Only with the long overdue reforms will the full tax cut be advisable.

Almost \$17 billion in income tax cuts will go to individuals. Ninety-six percent of all American taxpayers will see their taxes go down. For a typical family of four, this means an annual saving of more than \$250 a year, or a tax reduction of about 20 percent. A further \$2 billion cut in excise taxes will give more relief and also contribute directly to lowering the rate of inflation.

And we will also provide strong additional incentives for business investment and growth through substantial cuts in the corporate tax rates and improvement in the investment tax credit.

Now, these tax proposals will increase opportunity everywhere in the Nation. But additional jobs for the disadvantaged deserve special attention.

We've already passed laws to assure equal access to the voting booth and to restaurants and to schools, to housing, and laws to permit access to jobs. But job opportunity—the chance to earn a decent living—is also a basic human right, which we cannot and will not ignore.

A major priority for our Nation is the final elimination of the barriers that restrict the opportunities available to women and also to black people and Hispanics and other minorities. We've come a long way toward that goal. But there is still much to do. What we inherited from the past must not be permitted to shackle us in the future.

I'll be asking you for a substantial increase in funds for public jobs for our young people, and I also am recommending that the Congress continue the public service employment programs at more than twice the level of a year ago. When welfare reform is completed, we will have more than a million additional jobs so that those on welfare who are able to work can work.

However, again, we know that in our free society, private business is still the best source of new jobs. Therefore, I will propose a new program to encourage businesses to hire young and disadvantaged Americans. These young people only need skills and a chance in order to take their place in our economic system. Let's give them the chance they need. A major step in the right direction would be the early passage of a greatly improved Humphrey-Hawkins bill.

My budget for 1979 addresses these national needs, but it is lean and tight. I have cut waste wherever possible.

I am proposing an increase of less than 2 percent after adjusting for inflation—the smallest increase in the Federal budget in 4 years.

Lately, Federal spending has taken a steadily increasing portion of what Americans produce. Our new budget reverses that trend, and later I hope to bring the Government's toll down even further. And with your help, we'll do that.

In time of high employment and a strong economy, deficit spending should not be a feature of our budget. As the economy continues to gain strength and as our unemployment rates continue to fall, revenues will grow. With careful planning, efficient management, and proper restraint on spending, we can move rapidly toward a balanced budget—and we will.

Next year the budget deficit will be only slightly less than this year. But one-third of the deficit is due to the necessary tax cuts that I've proposed. This year the right choice is to reduce the burden on taxpayers and provide more jobs for our people.

The third element in our program is a renewed attack on inflation. We've learned the hard way that high unemployment will not prevent or cure inflation.

Government can help us by stimulating private investment and by maintaining a responsible economic policy. Through a new top-level review process, we will do a better job of reducing Government regulation that drives up costs and drives up prices.

But again, Government alone cannot bring down the rate of inflation. When a level of high inflation is expected to continue, then companies raise prices to protect their profit margins against prospective increases in wages and other costs, while workers demand higher wages as protection against expected price increases. It's like an escalation in the arms race, and understandably, no one wants to disarm alone.

Now, no one firm or a group of workers can halt this process. It's an effort that we must all make together. I'm therefore asking government, business, labor, and other groups to join in a voluntary program to moderate inflation by holding wage and price increases in each sector of the economy during 1978 below the average increases of the last 2 years.

I do not believe in wage and price controls. A sincere commitment to voluntary constraint provides a way—perhaps the only way—to fight inflation without Government interference.

As I came into the Capitol tonight, I saw the farmers, my fellow farmers, standing out in the snow. I'm familiar with their problem, and I know from Congress action that you are too. When I was running Carters Warehouse, we had spread on our own farms 5–10–15 fertilizer for about \$40 a ton. The last time I was home, the price was about \$100 a ton. The cost of nitrogen has gone up 150 percent, and the price of products that farmers sell has either stayed the same or gone down a little.

Now, this past year in 1977, you, the Congress, and I together passed a new agricultural act. It went into effect October 1. It'll have its first impact on the 1978 crops. It will help a great deal. It'll add \$6½ billion or more to help the farmers with their price supports and target prices.

Last year we had the highest level of exports of farm products in the history of our country—\$24 billion. We expect to have more this year. We'll be working together. But I think it's incumbent on us to monitor very carefully the farm situation and continue to work harmoniously with the farmers of our country. What's best for the farmers, the farm families, in the long run is also best for the consumers of our country.

Economic success at home is also the key to success in our international economic policy. An effective energy program, strong investment and productivity, and controlled inflation will provide [improve] our trade balance and balance it, and it will help to protect the integrity of the dollar overseas.

By working closely with our friends abroad, we can promote the economic health of the whole world, with fair and balanced agreements lowering the barriers to trade.

Despite the inevitable pressures that build up when the world economy suffers from high unemployment, we must firmly resist the demands for self-defeating protectionism. But free trade must also be fair trade. And I am determined to protect American industry and American workers against foreign trade practices which are unfair or illegal.

In a separate written message to Congress, I've outlined other domestic initiatives, such as welfare reform, consumer protection, basic education skills, urban policy, reform of our labor laws, and na-

tional health care later on this year. I will not repeat these tonight. But there are several other points that I would like to make directly to you.

During these past years, Americans have seen our Government grow far from us.

For some citizens, the Government has almost become like a foreign country, so strange and distant that we've often had to deal with it through trained ambassadors who have sometimes become too powerful and too influential—lawyers, accountants, and lobbyists. This cannot go on.

We must have what Abraham Lincoln wanted—a government for the people.

We've made progress toward that kind of government. You've given me the authority I requested to reorganize the Federal bureaucracy. And I am using that authority.

We've already begun a series of reorganization plans which will be completed over a period of 3 years. We have also proposed abolishing almost 500 Federal advisory and other commissions and boards. But I know that the American people are still sick and tired of Federal paperwork and redtape. Bit by bit we are chopping down the thicket of unnecessary Federal regulations by which Government too often interferes in our personal lives and our personal business. We've cut the public's Federal paperwork load by more than 12 percent in less than a year. And we are not through cutting.

We've made a good start on turning the gobbledygook of Federal regulations into plain English that people can understand. But we know that we still have a long way to go.

We've brought together parts of 11 Government agencies to create a new Department of Energy. And now it's time

to take another major step by creating a separate Department of Education.

But even the best organized Government will only be as effective as the people who carry out its policies. For this reason, I consider civil service reform to be absolutely vital. Worked out with the civil servants themselves, this reorganization plan will restore the merit principle to a system which has grown into a bureaucratic maze. It will provide greater management flexibility and better rewards for better performance without compromising job security.

Then and only then can we have a government that is efficient, open, and truly worthy of our people's understanding and respect. I have promised that we will have such a government, and I intend to keep that promise.

In our foreign policy, the separation of people from government has been in the past a source of weakness and error. In a democratic system like ours, foreign policy decisions must be able to stand the test of public examination and public debate. If we make a mistake in this administration, it will be on the side of frankness and openness with the American people.

In our modern world, when the deaths of literally millions of people can result from a few terrifying seconds of destruction, the path of national strength and security is identical to the path of peace.

Tonight, I am happy to report that because we are strong, our Nation is at peace with the world.

We are a confident nation. We've restored a moral basis for our foreign policy. The very heart of our identity as a nation is our firm commitment to human rights.

We stand for human rights because we believe that government has as a purpose to promote the well-being of its citizens. This is true in our domestic policy; it's also true in our foreign policy. The

world must know that in support of human rights, the United States will stand firm.

We expect no quick or easy results, but there has been significant movement toward greater freedom and humanity in several parts of the world.

Thousands of political prisoners have been freed. The leaders of the world—even our ideological adversaries—now see that their attitude toward fundamental human rights affects their standing in the international community, and it affects their relations with the United States.

To serve the interests of every American, our foreign policy has three major goals.

The first and prime concern is and will remain the security of our country.

Security is based on our national will, and security is based on the strength of our Armed Forces. We have the will, and militarily we are very strong.

Security also comes through the strength of our alliances. We have reconfirmed our commitment to the defense of Europe, and this year we will demonstrate that commitment by further modernizing and strengthening our military capabilities there.

Security can also be enhanced by agreements with potential adversaries which reduce the threat of nuclear disaster while maintaining our own relative strategic capability.

In areas of peaceful competition with the Soviet Union, we will continue to more than hold our own.

At the same time, we are negotiating with quiet confidence, without haste, with careful determination, to ease the tensions between us and to ensure greater stability and security.

The strategic arms limitation talks have been long and difficult. We want a mu-

tual limit on both the quality and the quantity of the giant nuclear arsenals of both nations, and then we want actual reductions in strategic arms as a major step toward the ultimate elimination of nuclear weapons from the face of the Earth.

If these talks result in an agreement this year—and I trust they will—I pledge to you that the agreement will maintain and enhance the stability of the world's strategic balance and the security of the United States.

For 30 years, concerted but unsuccessful efforts have been made to ban the testing of atomic explosives—both military weapons and peaceful nuclear devices.

We are hard at work with Great Britain and the Soviet Union on an agreement which will stop testing and will protect our national security and provide for adequate verification of compliance. We are now making, I believe, good progress toward this comprehensive ban on nuclear explosions.

We are also working vigorously to halt the proliferation of nuclear weapons among the nations of the world which do not now have them and to reduce the deadly global traffic in conventional arms sales. Our stand for peace is suspect if we are also the principal arms merchant of the world. So, we've decided to cut down our arms transfers abroad on a year-by-year basis and to work with other major arms exporters to encourage their similar constraint.

Every American has a stake in our second major goal—a world at peace. In a nuclear age, each of us is threatened when peace is not secured everywhere. We are trying to promote harmony in those parts of the world where major differences exist among other nations and threaten international peace.

In the Middle East, we are contributing our good offices to maintain the momentum of the current negotiations and to keep open the lines of communication among the Middle Eastern leaders. The whole world has a great stake in the success of these efforts. This is a precious opportunity for a historic settlement of a longstanding conflict—an opportunity which may never come again in our lifetime.

Our role has been difficult and sometimes thankless and controversial. But it has been constructive and it has been necessary, and it will continue.

Our third major foreign policy goal is one that touches the life of every American citizen every day—world economic growth and stability.

This requires strong economic performance by the industrialized democracies like ourselves and progress in resolving the global energy crisis. Last fall, with the help of others, we succeeded in our vigorous efforts to maintain the stability of the price of oil. But as many foreign leaders have emphasized to me personally and, I am sure, to you, the greatest future contribution that America can make to the world economy would be an effective energy conservation program here at home. We will not hesitate to take the actions needed to protect the integrity of the American dollar.

We are trying to develop a more just international system. And in this spirit, we are supporting the struggle for human development in Africa, in Asia, and in Latin America.

Finally, the world is watching to see how we act on one of our most important and controversial items of business—approval of the Panama Canal treaties. The treaties now before the Senate are the result of the work of four administrations—two Democratic, two Republican.



They guarantee that the canal will be open always for unrestricted use by the ships of the world. Our ships have the right to go to the head of the line for priority of passage in times of emergency or need. We retain the permanent right to defend the canal with our own military forces, if necessary, to guarantee its openness and its neutrality.

The treaties are to the clear advantage of ourselves, the Panamanians, and the other users of the canal. Ratifying the Panama Canal treaties will demonstrate our good faith to the world, discourage the spread of hostile ideologies in this hemisphere, and directly contribute to the economic well-being and the security of the United States.

I have to say that that's very welcome applause. [*Laughter*]

There were two moments on my recent journey which, for me, confirmed the final aims of our foreign policy and what it always must be.

One was in a little village in India, where I met a people as passionately attached to their rights and liberties as we are, but whose children have a far smaller chance for good health or food or education or human fulfillment than a child born in this country.

The other moment was in Warsaw, capital of a nation twice devastated by war in this century. There, people have rebuilt the city which war's destruction took from them. But what was new only emphasized clearly what was lost.

What I saw in those two places crystallized for me the purposes of our own Nation's policy: to ensure economic justice, to advance human rights, to resolve conflicts without violence, and to proclaim in our great democracy our constant faith in the liberty and dignity of human beings everywhere.

We Americans have a great deal of work to do together. In the end, how well we do that work will depend on the spirit in which we approach it. We must seek fresh answers, unhindered by the stale prescriptions of the past.

It has been said that our best years are behind us. But I say again that America's best is still ahead. We have emerged from bitter experiences chastened but proud, confident once again, ready to face challenges once again, and united once again.

We come together tonight at a solemn time. Last week the Senate lost a good and honest man—Lee Metcalf of Montana.

And today, the flag of the United States flew at half-mast from this Capitol and from American installations and ships all over the world, in mourning for Senator Hubert Humphrey.

Because he exemplified so well the joy and the zest of living, his death reminds us not so much of our own mortality, but of the possibilities offered to us by life. He always looked to the future with a special American kind of confidence, of hope and enthusiasm. And the best way that we can honor him is by following his example.

Our task—to use the words of Senator Humphrey—is “reconciliation, rebuilding, and rebirth.”

Reconciliation of private needs and interests into a higher purpose.

Rebuilding the old dreams of justice and liberty, and country and community.

Rebirth of our faith in the common good.

Each of us here tonight—and all who are listening in your homes—must rededicate ourselves to serving the common good. We are a community, a beloved community, all of us. Our individual fates are linked, our futures intertwined. And if we act in that knowledge and in that

spirit, together, as the Bible says, we can move mountains.

Thank you very much.

NOTE: The President spoke at 9 p.m. in the House Chamber at the Capitol. He was introduced by Thomas P. O'Neill, Jr., Speaker of the House of Representatives. The address was broadcast live on radio and television.

## The State of the Union

*Annual Message to the Congress.  
January 19, 1978*

*To the Congress of the United States:*

Tonight's State of the Union Address concentrates on this year's highest priorities—a strong energy bill; a coordinated economic program of job creation, tax reduction, tax reform and anti-inflation measures; making the government more effective and efficient; maintaining the peace through a strong national defense; and ratifying both the Panama Canal Treaties and, if completed, the SALT II treaty.

It is important that the Congress and the Nation also understand what our other important initiatives and goals will be for 1978. I am therefore sending to Congress this separate, more detailed State of the Union Message, which describes Administration priorities in the areas not fully covered in the Address.

### DOMESTIC AFFAIRS

A number of serious domestic problems faced the Nation when I took office one year ago. The economy had not yet fully recovered from the recession; our country had no sound energy policy; the Federal government was operating inefficiently and ineffectively in many areas; concerns about the openness and integrity

of our government remained in the aftermath of Watergate; and many of our most pressing social problems had not been addressed.

In 1977, my Administration did not solve all of those problems. But Congress joined us in tackling many of these issues, and together we made progress. Now that a year has passed, I believe we are a more confident people, with more trust in our institutions. We are a country on the move again, prepared to address our problems with boldness and confidence, at home and abroad. We have reasserted our concern for the problems of people here at home and reaffirmed our position of moral leadership in the world.

This year, my domestic goals will continue to reflect those concerns that guided my actions in 1977: restoring economic prosperity; meeting our Nation's human needs; making the government more efficient and more responsive; and developing and protecting our natural resources.

### RESTORING ECONOMIC PROSPERITY

I am devoting a substantial part of my State of the Union Address to the need for a comprehensive economic program, and I will devote the bulk of my Economic Report to Congress, to be delivered tomorrow, to a complete description of my Administration's economic goals and objectives. In this Message, therefore, I will not repeat those statements but I want to set forth briefly the key elements of those proposals:

- a \$23 billion income tax cut in 1979, with \$17 billion going to individuals and their families and \$6 billion going to businesses;
- a tax reform program designed to make our tax laws fairer and simpler;

- an anti-inflation program, designed to reduce annual increases in wages and prices, with the cooperation of labor and business and with the Federal government setting an example; reductions of \$2 billion in excise and payroll taxes will also make a contribution to reducing inflation;
- an extension of the funding for 725,000 public service (CETA) jobs, and a \$700 million increase in spending for our youth employment efforts;
- a major new \$400 million private sector jobs initiative, designed primarily to encourage businesses to hire unemployed minorities and youth.

I plan to work very closely with Congress to secure prompt action on these economic proposals. Their adoption will help achieve the kind of economic prosperity for our Nation that all of us want. Along with a sound energy bill, enactment of these economic proposals will be my highest domestic priority for 1978.

#### ENERGY

There can be no higher priority than prompt enactment of comprehensive energy legislation along the lines submitted to the Congress last spring.

Huge oil price increases in 1973–74 contributed to the double-digit inflation of 1974, and to the worst recession in 40 years. These price hikes were also the principal cause of our foreign trade deficit, which has contributed to the weakness of the dollar abroad.

Unless we act now, our energy problems will rapidly get worse. Failure to act will fuel inflation, erode the value of the dollar, render us vulnerable to disruptions in our oil supply, and limit our economic progress in the years to come.

I am confident that the Congress will respond to the Nation's clear need, by enacting responsible and balanced energy legislation early this year.

#### EMPLOYMENT

Last year we made considerable progress in our efforts to reduce unemployment. The unemployment rate decreased from 7.8% to 6.4%. During the year, 4.1 million new jobs were created. Unemployment fell by 1.1 million workers. The actions we took as part of our \$21 billion economic stimulus package substantially helped us achieve these favorable results.

In 1978, the Administration will continue its efforts to reduce unemployment still further and to increase employment opportunities for all Americans. As part of the budget I will propose:

- additional funds to increase youth programs 260% above the 1976 level, providing \$2.3 billion in outlays and 450,000 man-years of employment and training for young workers;
- a \$400 million private sector employment program focused on youth and other disadvantaged workers and aimed at mobilizing private industry to work with government in finding jobs. It will be implemented through business councils established throughout the country;
- maintenance of the 725,000 CETA jobs through 1979, while tying them in future years to national unemployment rates;
- beginning of a demonstration program for the jobs component of the Better Jobs and Income Program.

*Humphrey-Hawkins Legislation*

The Administration will seek passage of the Humphrey-Hawkins Full Employment and Balanced Growth Act.

This Act will help the Administration and the Congress in planning our efforts to reduce unemployment and to create jobs, while maintaining reasonable price stability. Its enactment would serve as a living memorial to the late Senator Hubert Humphrey.

*Private Sector Jobs*

The Administration plans a major \$400 million effort to involve business and labor in the training and hiring of the hard-core unemployed.

The program will closely tie the Federal employment system with the private sector, through the use of business councils. I am confident that the private sector will respond positively to the call to help the Nation solve one of its most serious problems—the employment of our youth and minorities.

## INFLATION

Although inflation is lower now than in the recent past, we still must do more to keep it down. The steps my Administration will take include:

- incentives for business investment, contained in our tax proposals, which will increase productive investment, and thereby help us hold down prices and costs;
- reduction in excise and unemployment taxes, proposed in the new budget;
- continuing reductions in needlessly complex Federal regulations. We have established a high-level inter-agency committee to review the effects of regulation in our economy, and we will continue our efforts for regulatory reform in the airline industry and elsewhere;

—a special effort to hold down the soaring costs of health care, through enactment of the Hospital Cost Containment Act.

But the government cannot solve this problem alone—especially once business, labor, and consumers have accepted inflation as a fact of life, and adjusted their behavior accordingly. I have therefore asked business and labor to undertake, voluntarily, a new program to reduce inflation. I will ask each industry to aim for smaller price and wage increases in 1978 than it averaged over the last two years. As a major employer the Federal government should take the lead in this effort. Voluntary cooperation is one way—perhaps the only way—to reduce inflation without unacceptable government interference and coercion.

## URBAN ASSISTANCE AND COMMUNITY DEVELOPMENT

The Administration and Congress took major steps last year to meet the needs of our cities. We increased funding for Community Development Block Grants by \$2.7 billion over three years, and provided an alternative formula for allocating funds that was more responsive to the needs of distressed urban areas. Next year we will recommend an increase of \$150 million over the 1978 level for the Community Development Block Grant program. We enacted a new program of Urban Development Action Grants at an annual level of \$400 million, and extended and expanded Anti-Recession Fiscal Assistance (ARFA).

I am proposing that the ARFA program, which expires September 30, 1978, be extended. We are evaluating possible revisions in programs and funding, and will make our recommendations to the Congress within two months.

The Administration is also studying closely the possible need for extended Federal lending to New York City. The current legislation expires on June 30, 1978. We are committed, along with the State and City, to preserving the City's solvency. If such extended lending is necessary for that purpose, we will propose it. However, all the interested parties must contribute to a permanent solution.

This spring I will submit to Congress a message outlining this Administration's urban policy, based on the work of the Urban and Regional Policy Group, chaired by the Secretary of Housing and Urban Development. It will be designed to make existing Federal programs more effective, and will involve new initiatives and resources to address our urban needs. The long-standing problems of our cities are structural in nature and cannot be corrected by short-term or one-time efforts. This Administration is committed to a long-term and continuing effort to meet stubborn problems and changing needs. Our urban policy proposals will:

- build a more effective partnership between the Federal government, State and local governments, the private sector, neighborhood groups and concerned citizens;
- be sufficiently flexible to meet the diverse needs of our urban areas and to respond to particular problems of distressed areas;
- address the fiscal needs of hard-pressed urban governments, as well as the economic and social needs of city residents;
- improve the urban physical environment and strengthen urban communities;
- use Federal assistance to stimulate job-creating investments by the private sector and to encourage innovative actions by the State and local governments.

#### AGRICULTURE AND RURAL DEVELOPMENT

Decent farm income and a strong family farm system are vital to our national economic stability and strength. For too long farm prices for many commodities have been severely depressed. Working with the Congress in the past year, we have adopted new programs and policies designed to strengthen farm income and to ensure abundant, reasonably priced food for consumers. Partially as a result of these policies and programs, farm prices are now improving. Nevertheless, we cannot be satisfied with the economic condition of many American farmers today. We will continue to monitor our agricultural economy and to work with Congressional and farm leaders to make certain that Federal programs and policies are carried out effectively.

#### *Food and Agriculture Act*

In the past year we have worked with the Congress to enact a new comprehensive Food and Agriculture Act, which will protect producers and consumers. We have also exercised set-aside authority for wheat and feed grains, which will protect farm income. This year we expect to pay farmers \$7.3 billion for all price support programs. The new farm bill which became effective October 1, 1977, achieves long-needed changes in our agricultural policies, including:

- minimal governmental intervention in markets and in the decisions farmers make;
- price support loans for major commodities that permit us to remain competitive in world markets;
- a grain reserve designed to remove excess products from the market and hold them until supplies are short;
- income support levels based on cost-of-production.

*Grain Reserve*

Last year we initiated a plan to place 30–35 million metric tons of food and feed grains in reserve. Establishing this reserve will add further strength and stability to the market and provide a hedge against export control on grain. Most of this grain will be owned and controlled by farmers. To strengthen farmer control of the grain and to help keep the grain out of government ownership, terms of the farmer storage facility loan program were liberalized. In 1978, the Administration will propose an international emergency grain reserve of up to 6 million metric tons to help us meet our food aid commitments abroad.

*Agricultural Disaster and Drought Aid*

Because of the record droughts in 1977, I worked with Congress to pass an \$844 million Emergency Drought Assistance Program. This year we will ask Congress to eliminate the many inconsistencies and inequities in existing disaster aid programs, and we will continue to give high priority to addressing the effects of the drought, which has begun to abate.

We are taking other steps to improve life in rural America. I recently signed a law to encourage better delivery of health services in rural communities. We will continue to expand the assignment of the National Health Service Corps' doctors, dentists and other health professionals to underserved rural areas. We will shortly be announcing methods to improve the effectiveness of rural housing programs with greater emphasis on home ownership for rural Americans.

*Agricultural Exports*

I want to increase our agricultural exports. To do so we need competitive prices, high quality products, and reserve supplies to meet all contingencies. We

must remove unnecessary barriers to exports. And we must have an affirmative export policy. In 1977, the Administration more than doubled (to \$1.7 billion) the short-term export credit program, increased Soviet grain purchase authorization to 15 millions tons, developed a risk assurance program, and expanded efforts to develop export markets around the world.

This year we will continue these efforts, especially to reduce barriers to agricultural trade.

*Sugar*

To stabilize world sugar prices and to protect domestic sugar-producers, we negotiated an international sugar agreement this year with the major sugar-producing countries. We will seek Congressional ratification of the agreement early in 1978. The sugar program required by the 1977 Food and Agricultural Act will protect the domestic sugar industry in the meantime.

*Rural Development and Credit Policy*

In fiscal year 1977, the Farmers Home Administration provided nearly \$7 billion in loans in four areas: farming, housing, community facilities and business and industrial development. We expect to provide at least \$1 billion more in the current fiscal year.

**SMALL BUSINESS**

This Administration took several steps in 1977 to strengthen small business. The Small Business Administration expanded its financial and management assistance to these firms and developed an advocacy program to represent small business interests before all Federal departments and agencies. In 1978, we will continue efforts to support small business through tax cuts and special tax incentives, reduced regu-

lations and other programmatic reforms, and expanded SBA loan authority.

#### MEETING OUR NATION'S HUMAN NEEDS

This Administration's constant concern has been with meeting the human needs of all Americans. Over the past year, we have moved on a number of fronts to make certain our citizens will be well housed, better educated, and properly cared for when they are in need. This year we will pursue our current initiatives in these areas and launch new ones.

#### HEALTH

This past year we were very active in the effort to improve the health of our citizens and to restrain skyrocketing health care costs, through:

- Establishment of a Mental Health Commission to help develop a national mental health program. The Commission will issue its final report later this year, and I expect to carefully consider the Commission's findings.
- A campaign to immunize the more than 20 million children not yet protected against communicable childhood diseases.
- Reorganization of part of HEW to allow more efficient delivery of Medicare/Medicaid services. The cost savings from the reorganizations will be realized more fully this year.
- Signing legislation to attack fraud and abuse in Medicare/Medicaid programs.
- Signing legislation to make Medicare/Medicaid reimbursement available to physician extenders in rural clinics. The beneficial effects of that bill will be felt in our Nation's rural areas for the first time this year.

In 1978, the Administration will continue these and other efforts to bring us better and less costly health care.

#### *Hospital Cost Containment*

One of my main legislative goals for this year is the Hospital Cost Containment Bill. That bill, which would save hospital users more than \$7 billion in the first two years after enactment, is our principal weapon in the effort to decrease health care costs, which now double every five years.

#### *National Health Insurance*

I will submit to Congress later this year a National Health Insurance proposal. While Congress will not have the time to complete action on this proposal in 1978, it is important to begin the national debate on the many complex issues involved in National Health Insurance.

National Health Insurance will not solve all our health problems. A sensible national health policy also requires more effective delivery of preventive services, better nutrition, vigorous abatement of environmental and occupational threats to health, and efforts to change individual lifestyles that endanger health.

But National Health Insurance is a crucial step. It will protect our people from ruinous medical bills and provide each citizen with better access to sound and balanced health insurance coverage.

#### *Medicaid Improvements for Children*

Last year I proposed the Child Health Assessment Program to improve the early and preventive screening, diagnosis and treatment program for lower-income children under Medicaid. The Administration will press for enactment of this measure, and will urge its expansion to make an additional 1.7 million lower-income children eligible.

*Teenage Pregnancy Proposal*

I will propose legislation to establish networks of community based services to prevent unwanted adolescent pregnancies. We need and will urge expansion of existing family planning services to reach an additional 280,000 teenagers.

*Drug Abuse*

Drug Abuse threatens the health and safety of our children, here and abroad. We will continue the efforts begun last year to make our drug abuse prevention and control programs more effective and efficient.

*World Health*

This year I will present a strategy for working directly with other nations and through international organizations to raise the standards of health and nutrition around the world.

## EDUCATION

Last year the Congress adopted with our cooperation a 15% increase in education funding—the largest increase since enactment of the Elementary and Secondary Education Act.

This year we will continue to demonstrate our commitment to improving the Nation's education programs. HEW's education budget expenditures will be increased by 14%, with the most significant increases coming in education of the disadvantaged, assistance to State programs for education of the handicapped, and college student financial aid.

The Administration will also work with the Congress for the creation of a separate Cabinet-level Department of Education, and for legislation to replace and reform expiring Federal education acts.

These legislative proposals will concentrate on:

- increasing basic literacy;
- ensuring that students are prepared for jobs;
- supporting post-secondary education and lifelong learning; and,
- strengthening the partnership between Federal, State, and local governments.

To augment existing programs, I will propose legislation to help low and middle-income families meet rising college tuition costs, and will also support a significant expansion of student aid programs.

## INCOME ASSISTANCE

Over the past year we have made many far-reaching improvements in the programs that provide income assistance to the needy. My Administration will continue to assign great importance to this area in 1978.

*Welfare Reform*

I proposed last year a reform of the Nation's welfare system, through the Better Jobs and Income Act. This Act would fundamentally reform current programs to assist the poor by:

- consolidating the Aid to Families with Dependent Children, Supplemental Security Income and Food Stamps programs into a single consolidated cash assistance program that provides a basic nationally uniform Federal benefit;
- improving efforts to find jobs for the poor in the private sector, and creating up to 1.4 million public service jobs for heads of families who cannot be placed in unsubsidized employment; and
- improving work incentives by expanding the Earned Income Tax Credit.



We will work actively with the Congress in the coming year to pass the Better Jobs and Income Act, and we will provide in this year's budget for pilot employment programs so we will be ready to implement the welfare reform program.

### *Family and Children*

My Administration will continue its strong commitment to strengthening the American family and to expanding programs for children.

The Administration will propose this year that the school breakfast program be made mandatory in schools with high concentrations of needy children. Further, we will propose a major expansion in special supplemental food programs for women, infants, and children.

Among other major actions in 1978 will be:

- convening a White House Conference on Families;
- pressing for enactment of our proposed reforms in foster care programs including new financial assistance to aid in the adoption of hard-to-place children;
- more than doubling the budget outlays for child welfare services, with an emphasis on services that help keep families together;
- continuing \$200 million in special funding for day care under Title XX of the Social Security Act.

We will also depend upon the revitalized Community Services Administration to develop new approaches to assist the poor.

### THE ELDERLY

Last year saw the enactment of Social Security financing legislation that will assure the system's financial integrity into the next century. This year the Administration will continue to work for

strengthened legislation against unwarranted age discrimination in the Federal and private sector. We will propose legislation to extend and strengthen the Older Americans Act and we will seek a 13% increase in funding for programs providing daily meals to the elderly, raising the total of daily meals served to 385,000. In addition, the Administration will work to assure that the contributions of older Americans are sought in our efforts to meet national needs.

### HOUSING

Last year we made progress toward our national goal of a decent home in a suitable environment for every American family. 1977 was a good year for housing, generally, with total new starts exceeding two million. And we have renewed the Federal government's commitment to housing for the needy.

Early last year, the Administration proposed major new initiatives to meet the housing needs of low- and moderate-income Americans—initiatives which are central to our urban development strategy. We had about 118,000 starts under section 8 and public housing subsidized programs in 1977. We look forward to another 30 percent increase in subsidized housing starts in these programs for 1978, and 92,000 starts in the Assisted Housing Rehabilitation Loan Programs. We will reassess our national housing needs and goals and our current housing and credit policies designed to meet those needs.

In 1978, the Administration will strengthen its commitment to meet the housing needs of all communities with a variety of expanded programs and new initiatives:

—Rental housing assistance to an additional 400,000 low-income families, and

help to enable an additional 50,000 moderate-income families to own their own homes. The total number of families receiving housing assistance will increase from 2.6 million in 1977 to 3.1 million in 1979.

—More funds for the rehabilitation loan program under section 312, with an expansion of existing programs for substantial renovations and the creation of a new moderate rehabilitation program under section 8.

—A major new operating subsidy program for 1979. This new program, coupled with improved management controls and the monitoring of troubled projects, is intended to reduce the inventory of defaulted projects and aid in restoring distressed urban areas. The Department of Housing and Urban Development has made substantial progress in 1977 in reducing the stock of defaulted projects. This new program will give the Department additional tools. Outlays for this program are estimated to total \$52 million in 1979.

—A Federal financing mechanism for assisted housing projects through use of the GNMA Tandem program.

—A targeted GNMA Tandem program which will provide subsidies designed to bring middle-income families back to the cities.

—Targeting of rural housing programs to lower-income residents, including a special program to help very poor families own their own homes.

—Continuing high levels of production of housing for the elderly and handicapped.

#### TRANSPORTATION

This year we will build on the efforts we made last year to strengthen the Nation's transportation system by decreasing

consumer costs, pursuing increased energy efficiency, and improving safety:

- negotiation of a new US-UK bilateral air services agreement;
- approval of new international air routes from a number of American cities;
- requiring passive restraint systems on all new automobiles by 1984;
- setting new fuel efficiency standards for 1981-1984 model automobiles;
- beginning work on the Northeast Corridor Railroad Improvement Program;
- passing an all-cargo airline deregulation bill.

We will also continue our policy of increasing competition and reducing airfares in international flights, and pursue additional bilateral agreements. Consumers have already benefited from reduced international fares and improved service.

#### *Highway and Transit Programs*

We will soon propose a comprehensive highway and transit program, which will provide more than \$45 billion in total authorizations in the 1979-1982 period. The program will give states and localities more flexibility in planning and programming their highway and transit funding, by reducing the number of narrow, categorical accounts and by using consolidated accounts for a wider range of potential transportation projects.

In addition, we will make funding of transportation programs more uniform and give localities more control over highway and mass transit funds in large urban areas.

#### *Highway Safety*

The Administration will propose legislation to strengthen our efforts for highway safety and to reduce restrictions on the states' use of Federal highway safety

grant funds. That legislation will earmark funds for the Department of Transportation to support important highway safety projects, such as the 55 mile per hour speed limit program.

*Inland Waterway User Fees*

Users of Federal inland waterways should pay fees which will pay a substantial part of the cost of constructing, operating and maintaining those waterways. My Administration will continue to work closely with Congress toward passage of a bill that will, for the first time, establish inland waterway user fees.

*Aircraft Noise Abatement*

My Administration will again seek passage of legislation to control aircraft noise.

*No-Fault Automobile Insurance*

We continue to support legislation to establish Federal minimum standards for no-fault automobile insurance.

VETERANS

In 1977, we took a number of steps to make certain that the country continues to meet the special needs of our millions of veterans. Legislation was passed to increase compensation benefits for service-connected disabilities, benefits under the G.I. Bill, and veterans pension benefits. Millions of veterans will feel the effects of these increases this year.

In 1978, we will further improve our veterans programs by:

—initiating a government-wide review of the problems of Vietnam veterans and the means by which current programs can be made more effective in meeting their needs;

—beginning new programs to deal with problems of alcohol, drug abuse and psychological readjustment;

—proposing increased benefits for service-connected disabilities, and improvements in the veterans pension program;

—continuing special employment programs for Vietnam-era veterans.

ARTS AND HUMANITIES

Americans are increasingly aware that the arts and humanities preserve and transmit our heritage, enrich our lives, and contribute significantly to the social and economic well-being of our Nation. This Administration is committed to fostering the highest standards of creativity and scholarship in an open partnership between public and private sectors—and we believe that the products of this commitment must be available to the many Americans who wish to share in them. This year's substantial increases in the budgets for the Arts and Humanities Endowments demonstrate my strong belief in the value of these programs.

MAKING THE GOVERNMENT MORE  
EFFICIENT AND MORE RESPONSIVE

GOVERNMENT EMPLOYEES

*Civil Service Reform*

The Civil Service System is too often a bureaucratic maze which stifles the initiative of our dedicated Government employees while inadequately protecting their rights. Our 2.8 million civil servants are governed by outdated rules and institutions that keep them from being as efficient as they would like to be. No one is more frustrated by this system than hard-working public servants. Therefore, one of my major priorities in 1978 will be to ensure passage of the first comprehensive reform of the system since its creation nearly a century ago—reforms

developed with the direct involvement of civil servants. Early this year, Congress will receive legislation and a reorganization plan to:

- restructure the institutions that run the Civil Service;
- increase safeguards against abuses of official power;
- provide greater incentives for managers to improve the Government's efficiency and responsiveness;
- reduce the system's red tape and delays;
- speed the procedures for dealing with employee grievances and disciplinary actions;
- make equal employment opportunities more effective.

Last year the Administration acted to protect Federal employees from the loss of a job due to reorganization. Such protection will be maintained.

#### *Hatch Act Reform*

I will continue to support reform of the Hatch Act, which would restore the right of most Civil Service employees to participate in the political process.

#### *Part-time and Flexi-time Employment*

To help obtain Federal jobs for the elderly, the handicapped, women, and others with family responsibilities, all Federal agencies will carry forward renewed efforts to increase part-time and flexi-time employment opportunities.

#### REORGANIZATION, MANAGEMENT AND REGULATORY REFORM

The Government Reorganization Project will keep working to make the Government more responsive and efficient. Last year we combined parts of 11 agencies into one Department of Energy, streamlined the Executive Office of the President and reduced the White House Staff, and

proposed the abolition of nearly 500 advisory committees and small agencies.

In addition to the upcoming Civil Service and education reform efforts, we will soon submit proposals:

- to restructure our equal employment programs to provide better protection for the rights of minorities and women, and to ease the burden of compliance on State and local government as well as business;
- to improve the administration of justice; and
- to reorganize our disaster assistance programs.

Additional studies are under way in many other areas, and several of these will result in reorganization proposals later this year. Efforts to improve Federal cash management continue.

We are also vigorously pursuing the effort begun last year to reduce the burden of outdated, ineffective, and nit-picking regulations. For example, the Department of Health, Education, and Welfare eliminated 5% of their regulations, the Federal Trade Commission rescinded 111 outdated sets of rules on trade practices and both the Civil Aeronautics Board and the Interstate Commerce Commission have moved to allow more competition, which has led to lower prices. In 1978, we will continue these efforts.

#### *Worker Health and Safety*

The Occupational Health and Safety Administration has already slashed its paperwork requirements by 50% and eliminated 1,100 unnecessary regulations, while improving its capacity to protect workers. This spring the Task Force on Worker Safety will make further recommendations to increase protection for workers and minimize employer cost.

### *Airline Regulatory Reform*

Last year, I signed legislation deregulating all cargo air transportation. This year, I will continue to work for passage of the airline regulatory reform bill for passengers. That bill will allow air carriers to compete through lower fares, new services, and new markets, without excessive government interference or disruption of service to small communities.

### *Trucking Regulatory Reform*

Forty years of tight government controls have not done enough to bring us competitive prices, good service, and efficient use of fuel. We will consider measures to bring more competition into the motor carrier area.

### *Drugs*

We will propose legislation to reform regulation of the drug industry, which will protect the consumer and make regulations fairer and less burdensome.

### *Regulatory Process*

Early in 1978, I will issue an Executive Order to improve the regulatory process. This Order will require officials responsible for regulations to sign them; assure that policy-level officials are fully involved in the process; require that regulations be written in plain English; make it easier for the public to participate in the process; increase coordination between agencies with overlapping responsibilities; require a closer look at the cost of regulations before they are issued; and require "sunset" reviews of existing regulations.

I have also set up an interagency committee to help regulatory agencies review the economic effects of major regulations, so that we can be sure that the costs of each proposed regulation have been fully

considered. In this way we will be able to identify the least costly means of achieving our regulatory goals.

### *Paperwork Reduction*

In 1977, my Administration decreased by 12% the paperwork burden that the Government imposes on the people. This was done by eliminating, consolidating, simplifying, and decreasing the frequency of reports. That savings is the equivalent of 50,000 full-time workers filling out Federal forms for a full year. All departments and agencies are currently setting goals for further substantial reductions in 1978. All reporting requirements associated with grant-in-aid programs will be subject to "sunset" review, and ended unless they are found necessary. In addition, we are reviewing the recommendations of the Commission on Federal Paperwork.

### LABOR LAW REFORM

Last year we proposed legislation to reform our Nation's labor laws, in order to streamline the conduct of elections for employee representation and strengthen the enforcement powers of the National Labor Relations Board. We will work closely with Congress to ensure early passage of this bill, which is one of my highest legislative goals this year.

### ELECTION REFORM

Last year, I supported proposals to make our elections fairer and more honest. These included public financing of Congressional campaigns, amendments to the Federal Election Campaign Act and other election reforms. The Administration will continue to support Congressional action on these measures.

**CONSUMER REFORM**

We have taken many actions to benefit consumers by reducing the costs and improving the quality and safety of products. But one consumer initiative merits separate emphasis—the creation of the Office of Consumer Representation. We supported legislation last year to create such an Office, so that the interests of consumers could be represented in one government agency. The Office would not require additional government employees or expenditures since it would merely consolidate the consumer offices that already exist throughout the government. I am strongly committed to this legislation, and regard its enactment as one of the year's primary legislative priorities.

**PUBLIC BROADCASTING REFORM**

I proposed legislation last year to strengthen the public broadcasting service by providing increased long-term Federal support, insulation from political pressure, better coordination among the national organizations that run public broadcasting, and more opportunity for citizens to participate at the local level. My Administration will work with Congress this year to pass these reforms.

**OPENNESS AND INTEGRITY**

One of our primary goals is to make certain that the government's ethical standards are high, and that they are fully observed. And we must ensure that our government is open and responsive to the American people.

Last year, I took steps in that direction by requiring that the senior officials of my Administration publicly disclose their income and assets and pledge not to do business with their agencies for two years after leaving government service. To increase the government's openness, we

took steps to make certain that the spirit as well as the letter of the Freedom of Information Act was observed. And we tried to bring the Presidency to the people with citizen forums and discussion panels throughout the country.

This year, we will continue these efforts, concentrating our primary attention on these areas:

*Lobby Reform*

The Administration will press for legislation requiring registration of lobbyists and thorough public disclosure of their lobbying activities. This long-overdue legislation will help reestablish confidence and trust in government.

*Ethics*

I applaud the strong ethical codes adopted last year by the House and Senate. I believe those codes and the standards established for my Administration's officials should be made law, so that they will clearly apply to public officials in the future. I urge Congress to pass the Public Officials Integrity Act this year.

*Classification*

We are completing a study of classification systems for government documents and I will shortly issue an Executive Order designed to eliminate improper and unnecessary classification and to ensure that documents are declassified more rapidly.

**JUSTICE***Civil Rights and Equal Opportunity*

All Americans have fundamental civil rights requiring government protection, and all must be afforded equal opportunities to participate as full members in our society. In 1977, this principle guided my

Administration in numerous areas, and I plan to make certain that this year our efforts on behalf of civil rights and equal opportunities continue unabated. Our Nation's concern for human rights must be heard as clearly at home as abroad.

#### *Educational Opportunities*

In 1977, my Administration vigorously attacked educational discrimination on the elementary, secondary and higher education levels. A major suit was pursued to ensure non-discrimination at the university level. At the same time, we recognized and reaffirmed the importance of affirmative action programs to ensure equal opportunities at educational institutions through our brief in the *Bakke* case. Our efforts to eliminate discrimination and promote affirmative action programs, relying on flexible goals rather than on quotas, will continue in full force.

#### *Handicapped*

HEW issued regulations and guidelines to implement legislation guaranteeing equal access to programs receiving financial assistance from HEW. This year the other Cabinet Departments will issue similar regulations, so that the rights of handicapped Americans will begin to be fully observed. We are providing a \$50 million loan fund to States and institutions to enable them to comply with these regulations and to eliminate barriers which prevent access by our handicapped citizens to federally assisted programs and activities. We are proposing a major increase in funding under the Education of all Handicapped Children Act.

#### *Equal Opportunity*

This past year the Administration reaffirmed Executive Order 11375, which prohibits discrimination on the basis of sex in Federal employment. In addition,

I voluntarily placed the Executive Office of the President under Title VII of the Civil Rights Act. This year, as part of our effort to eliminate sex discrimination in unemployment and education, I will continue to urge the ratification of the Equal Rights Amendment to the Constitution.

This past year the Equal Employment Opportunity Commission was reorganized to increase its efficiency. As a result, the Commission made substantial progress on reducing its backlog of complaints. With the more than 40% increase in funding that will be proposed in the 1979 budget, the EEOC will be able to further reduce its backlog. Early this year I will propose to Congress a reorganization plan concerning equal opportunity enforcement which will strengthen the EEOC.

#### *Anti-Foreign Boycott*

I strongly supported, and signed, legislation to prohibit American participation in secondary economic boycotts by foreign countries. That law will be strictly enforced by my Administration this year through the regulations just issued by the Department of Commerce.

#### *Minority Business*

Last year, we started a number of programs to make more opportunities available for minority-owned businesses. That effort will be continued and strengthened this year:

—We are half way toward our two-year goal of \$2 billion in Federal purchases of services and goods from minority-owned firms. We will reach that goal by the end of the year.

—We will raise the goal for Federal deposits in minority-owned banks above the 1977 level of \$100 billion.

—We will continue to enforce the \$400 million minority business set-aside provision in the local public works act, and may exceed that target.

—We will continue to implement the minority business set-aside policy established for contracts let in the Northeast Corridor Railroad Improvement Program.

#### *Undocumented Aliens*

Last year, I proposed legislation to impose sanctions on employers who hire undocumented aliens and to change the legal status of the many undocumented aliens now residing in this country. That legislation would afford undocumented aliens residing here continuously since before 1970 the opportunity to apply for permanent resident status. It would create a new five-year temporary resident status for those undocumented aliens who resided here continuously from 1970 to January 1, 1977. I want to work with Congress this year toward passage of an undocumented aliens bill, for this social and economic problem can no longer be ignored.

#### *Native Americans*

The Administration has acted consistently to uphold its trusteeship responsibility to Native Americans. We also have elevated the post of Commissioner of Indian Affairs to the level of Assistant Secretary of Interior. In 1978, the Administration will review Federal Native American policy and will step up efforts to help Indian tribes assess and manage their natural resources.

#### LEGAL AND JUDICIAL REFORM

Last year, my Administration began a number of major efforts to improve our Nation's legal and judicial system, and we intend to pursue those and related efforts fully this year.

#### *Criminal Code Reform*

We have worked closely with members of Congress to develop a proposed revision of the Nation's Criminal Code. That revision will codify in one part of the U.S. Code all Federal crime laws and will reform many outdated and inconsistent criminal laws. My Administration will work closely with Congress this year to seek passage of the first complete codification of the Nation's criminal laws.

#### *Judicial Reform*

The Federal judicial system has suffered for many years from an inadequate number of judges, and we will continue to work with Congress on an Omnibus Judgeship Bill to correct this problem. We will also continue our efforts to use our judges more effectively, through legislation which we have proposed to expand significantly the authority of magistrates, to increase the use of arbitration, and to tighten Federal jurisdiction. We will work this year to complete Congressional action on these bills.

#### *Wiretap Reform*

Last year we proposed legislation reforming our approach to electronic surveillance for foreign intelligence purposes, and affording greater protection to our citizens. Essentially, that legislation would require the government to obtain a court order before beginning any foreign intelligence wiretaps in this country. My Administration supports early passage of this much needed legislation.

#### *Anti-trust Enforcement and Competition*

Our Nation's anti-trust laws must be vigorously enforced. Therefore, I recently established a Presidential Commission to review Federal anti-trust enforcement, and to make its recommendations this year.



Last year, we initiated a new program, administered by the Department of Justice, to provide grant funds to State Attorneys General in order to strengthen anti-trust enforcement at the State level. We expect to see the results of this program this year.

By reducing government regulation, we can increase competition and thereby lower consumer costs. This year we will continue our deregulatory efforts in the legislative and administrative areas in order to reduce anti-competitive practices and abuses.

#### *Crime Reduction and Criminal Justice*

This past year the Reorganization Project and the Justice Department have been developing proposals to reorganize and to improve our Nation's criminal justice system, in order to strengthen enforcement and ensure equal justice. This year I will be sending a Message to Congress on criminal justice and crime reduction. My Message will include proposals to:

- reorganize the Federal Law Enforcement Assistance Administration;
- improve our criminal research efforts;
- develop better law enforcement methods against organized crime, white collar crime, drug abuse, and public corruption; and
- develop minimum standards for Federal correctional institutions.

#### *FBI and Intelligence Agencies' Charters*

I plan to issue a comprehensive Executive Order to govern the intelligence activities of the FBI, CIA, NSA and the Defense Department. That Executive Order will be the basis for the Administration's recommendations on legislative charters governing the activities of the FBI and various intelligence agencies.

#### *Privacy*

The Privacy Protection Study Committee recently proposed an extensive list of new legislative and regulatory safeguards. My Administration is analyzing these recent proposals and will develop this year a program to ensure that personal privacy is adequately protected.

#### *District of Columbia*

We proposed last year a series of reforms, including full voting representation in Congress, designed to give the residents of the District significantly greater control over their local affairs. My Administration will continue to work for the passage of those reforms this year.

### DEVELOPING AND PROTECTING OUR NATURAL RESOURCES

#### ENERGY

#### *National Energy Policy*

In April 1977, I proposed to the Nation a comprehensive national energy policy. That policy is based on three principles, which will continue to guide our progress in 1978:

- we must learn to use energy more efficiently and more carefully, through conservation measures, including retrofitting our buildings, factories and homes;
- we must shift from oil and natural gas, which are becoming more scarce, to coal and renewable sources of energy which we have in abundance;
- we must provide fair prices to producers of energy, so as to encourage development of new supplies without permitting windfall profits.

The debate on this comprehensive policy has been long and arduous. A number of difficult, contentious issues remain to be settled. I am confident, however, that

the Congress recognizes the seriousness of our energy problem and will act expeditiously on this program early this year. Securing passage of an acceptable energy bill—one which is fair to consumers, provides needed energy savings, and is prudent from a fiscal and budgetary standpoint—will continue as our highest and most urgent national priority in 1978.

#### *Energy Statutes and Actions*

We have already begun to lay a strong foundation for implementation of a national energy policy. In 1977 we took steps to put in place important policies and structural reforms needed to meet our energy goals:

—Creation of a new Department of Energy which combines, for the first time, major governmental functions of energy research, regulation, pricing policy, information collection and dissemination, and overall policy development. Without a strong organization, we would not hope to implement a comprehensive national policy.

—Congress has approved our proposed route for a pipeline to bring natural gas from the North Slope of Alaska to the lower 48 states.

—Passage of the Emergency Natural Gas Act to cope with the hardships of last winter's freeze and assure that high priority gas users were not cut off during supply emergencies.

—Funding of more than \$4 billion to store the first 500 million barrels of oil in a strategic petroleum reserve. We have already begun to fill that reserve, and we remain committed to a 1 billion barrel strategic reserve by 1985.

#### *Outer Continental Shelf Legislation*

Legislation to improve the management of the Outer Continental Shelf for oil and gas development is a major item of un-

finished business pending before Congress. Prompt passage is necessary so that we can have the benefit of the new law as we move to open more offshore areas to development and production. This bill mandates long-needed reforms in the leasing program to provide for the necessary development of offshore oil and gas while enhancing competition among oil companies, assuring that the public receives a fair return for the sale of the public's oil and gas resources, and protecting our marine and coastal resources.

#### *Nuclear Energy*

The United States has also advanced a policy to prevent the proliferation of nuclear weapons around the world. An International Nuclear Fuel Cycle Evaluation has been established with wide international participation to examine alternatives to existing proliferation-prone technologies. In addition, legislation was proposed last year to establish better controls on export of nuclear fuels and technologies. We will work with Congress to secure passage of that legislation early in 1978.

Our commitment to preventing the spread of nuclear weapons has led us to reorient our own domestic nuclear policies. I have deferred indefinitely the commercial reprocessing of spent nuclear fuel and plutonium recycling.

The Clinch River Plant itself would waste more than \$2 billion while teaching us little that we do not already know, or cannot learn from our existing nuclear research and development program. I have recommended that the Clinch River Breeder Project be stopped, because it represents a premature and unwise commitment to commercialization of technology that we do not now need.

However, we intend to continue to develop the nuclear energy the Nation needs.

We will continue to move forward with a major research program on breeder technology.

We will begin to implement our program for government management of spent fuel from nuclear reactors.

In 1978, my Administration will work towards a policy for safe, permanent disposal of nuclear wastes.

In 1978 and beyond, we will carry on a vigorous nuclear research and development program designed to give us safe technologies that will reduce the danger of nuclear proliferation and will be environmentally responsible. We will also seek to improve the current system of licensing nuclear power reactors in order to cut bureaucratic delays, while firmly maintaining and strengthening health, safety and environmental requirements. I will propose nuclear licensing legislation to the Congress this year.

#### ENVIRONMENT

One of my deepest personal commitments is to a clean, healthy environment for all of our citizens. Last May, I outlined this Administration's environmental priorities and policies in a comprehensive Environmental Message. Working closely with the Congress, we have made good progress on many of the measures contained in that Message; it will continue to guide our administrative and legislative actions in 1978. Overall, we will:

- increase our environmental outlays by more than 10%, and provide the new staff resources necessary to ensure that the Nation's environmental laws are obeyed;

- determine the best way of enforcing the landmark environmental statutes enacted in 1977, taking considerations of science and public policy into account;

- pursue several important initiatives, including a National Heritage program

and designation of national interest lands in Alaska, to manage our precious natural resources better and to preserve our heritage.

#### *Environmental Statutes*

In 1977, we worked closely with Congress to enact three of the most significant environmental statutes in recent years:

- The Surface Mining Control and Reclamation Act establishes a joint Federal-State program to make sure we use economically and environmentally sound strip-mining practices. It also sets up a fund to reclaim lands which have been ravaged by uncontrolled, careless mining, and provides clear, stable policy direction for operators.

- The Clean Air Act Amendments establish strict but achievable standards for auto emissions and ensure continued progress in reducing pollution from stationary air pollution sources.

- The Clean Water Act authorizes many of our most important water clean-up programs and will protect our Nation's wetlands without unnecessary Federal requirements. The Act also reforms the sewage treatment construction grant program and gives strong emphasis to the control of toxic chemicals in our environment.

We will provide the leadership and the funding necessary to carry out these new laws.

#### *Water Policy*

In 1977, an effort was begun to ensure that Federal programs and policies provide sound and fair management of our limited and valuable water resources. We began a complete review of Federal water policy, which will be completed this year. After close consultation with the Congress, the States, and the public, we will propose measures needed to carry out the recommendations of that study.

We will also continue with the strong dam safety inspection program which was initiated late last year to make sure our dams, public or private, are safe.

#### *Alaska Lands*

Last year, I sent Congress a proposal for use of Federal lands in Alaska. This proposal will protect 92 million acres for the public, will create or expand 13 national parks and reserves, 13 national wildlife refuges, and will confer wild and scenic river status on 33 waterways. I hope Congress will adopt these measures, which are needed this year to preserve the unique natural treasures of Alaska and, at the same time, permit the orderly development of Alaskan resources.

#### *Redwood National Park*

Redwood National Park contains some of the Nation's largest and oldest trees. Last year, to protect these trees from destruction by commercial logging at the edges of the Park, legislation was proposed to expand its boundaries. We will press for Congressional action on this bill in 1978.

#### *National Heritage Program*

We will shortly be proposing a Federal-State program to preserve unique elements of our natural and cultural heritage. This program, modeled after successful ones in several states, will be administered by the Department of the Interior. Although many of the necessary steps can be taken administratively, we will seek some new legislative authority in 1978.

#### *Federal Compliance with Environmental Laws*

My Administration is committed to the principle that the Federal government must set a good example of compliance with those environmental laws and reg-

ulations which have been established for the private sector. So far, unfortunately, the Federal record has been found wanting. My 1979 budget includes money to bring Federal facilities into compliance with existing environmental laws and regulations.

#### *Federal Reclamation*

In 1977, we began a thorough review of the 1902 Reclamation Act. After the study has been completed and reviewed this year, I will propose to Congress any changes needed to modernize the law.

#### *Mining Law Reform*

Last year the Administration proposed legislation to replace the archaic 1872 Mining Law with a modern leasing system for publicly-owned mineral resources. The 1872 system has resulted in withdrawal of large areas of land from mineral exploration as the only tool for environmental protection. The Administration's proposal would establish a balanced system where the public interests in mineral development, environmental protection and revenue to the U.S. Treasury will all be accomplished. Special provisions would minimize burdens on small operators and provide incentives for exploration.

#### *Oil Spills*

Last year I proposed to Congress legislation which would establish strict liability standards for oil tanker spills and would improve regulations aimed at preventing future oil spills. That legislation is still needed.

#### SCIENCE AND TECHNOLOGY

The health of American science and technology and the creation of new knowledge is important to our economic well-being, to our national security, to our

ability to help solve pressing national problems in such areas as energy, environment, health, natural resources. I am recommending a program of real growth of scientific research and other steps that will strengthen the Nation's research centers and encourage a new surge of technological innovation by American industry. The budget increase of 11% for basic research will lead to improved opportunities for young scientists and engineers, and upgraded scientific equipment in the Nation's research centers. I am determined to maintain our Nation's leadership role in science and technology.

We will continue America's progress in the field of space exploration with continued development of the space shuttle system and procurement of four shuttle orbiters for operations from both East and West coasts, development of a spacecraft to study for the first time the polar regions of the Sun, and increased outlays for demonstrations of the practical applications of space-based systems and development of space technology.

#### FOREIGN AFFAIRS

A year ago I set five goals for United States foreign policy in the late 1970s and early 1980s: to reassert America's moral leadership; to strengthen our traditional ties with friends and allies; to work toward a more just international system; to promote regional reconciliation; and to preserve peace through preparedness and arms control. These goals continue to underlie my agenda for 1978.

#### MORAL LEADERSHIP

During the past year, we have placed American foreign policy on a new course consistent with the values and highest ideals of the American people. We are

trying to limit the worldwide sale of arms; we are trying to prevent nuclear explosives—and the ability to make them—from spreading to more countries; we are building a new relationship with the developing countries, and we are promoting human rights throughout the world.

#### *Human Rights*

Virtually everywhere, human rights have become an important issue—especially in countries where they are systematically violated. There has been real progress, and for that the United States can take some credit.

We have taken the lead among Western nations at the Belgrade Review Conference on Security and Cooperation in Europe. Working closely with our Allies, and with neutral and non-aligned nations, our delegation—led by Ambassador Arthur Goldberg—has conducted a thorough review of implementation of the Helsinki Final Act, in all its aspects. We have made clear the United States is committed to the full implementation of the Final Act in this and other areas. We will seek a further Review Conference in two years; meanwhile, we will press for better implementation of the Helsinki Final Act.

#### *Non-Proliferation*

We must not ignore the enormous dangers posed by the unrestrained spread of nuclear weapons technology. We recognize the benefits of commercial nuclear power, but we also must acknowledge the risks. We believe that all countries can enjoy the benefits, while the risks are minimized, by developing safer technologies and creating new institutions to manage and safeguard all phases of the nuclear fuel cycle. Meanwhile, we have decided to postpone a premature commit-

ment to technologies we cannot yet safely manage on a commercial scale; and we are seeking to persuade others that there are sound economic and energy reasons for them to do likewise.

### *Arms Sales*

The world is threatened by the spiraling increase in trade of conventional arms. Not only do these arms increase the likelihood of conflict, they also divert resources from other human needs. It will not be easy to slow this spiral. We will begin to cut back on our own sales in recognition of the fact that, as the world's principal seller, we have a duty to take the first step. But we know that our efforts can only succeed if other major arms suppliers and recipients cooperate.

### TIES WITH FRIENDS AND ALLIES

The energy crisis has underscored the reality of interdependence among nations and the need for a stable international financial and trading system. Our own actions reflect the belief that consultations with traditional friends and dialogue with developing nations are the only way that the United States can provide the economic and political leadership which the world expects of us.

### *Working with the Allies*

During the past year, the United States restored our traditional friends and allies to the center of our foreign policy. Within days after his inauguration, the Vice President visited Brussels, Rome, Bonn, Paris, Reykjavík, and Tokyo. I met frequently in Washington with European and Japanese leaders. I participated in the Economic Summit in London, the 1977 NATO Summit, and a Four-Power Summit with leaders of Britain, Germany, and France. At the beginning of 1978, I

visited France and Belgium—and while in Brussels, made the first visit by an American President to the headquarters of the European Community. We have also consulted with our European Allies on such diverse subjects as SALT, MBFR, the Middle East, Africa, human rights, the Belgrade Conference, energy, non-proliferation, the global economy, and North-South relations. We will intensify these efforts this year, expanding the list to include close consultations with the Allies on major arms control issues.

On May 30–31, we will host a NATO Summit in Washington, and we are also planning another Economic Summit this year.

We have shown in our dealings with Japan that close allies can find solutions to shared problems. Early in the year, we were concerned about nuclear reprocessing in Japan, but through flexibility and goodwill on both sides a suitable accommodation was reached on the building of a nuclear reprocessing plant there. Most recently, we reached agreement with the Japanese on ways to deal with their large current account surplus. Our trade and economic talks are another example of constructive action.

### *International Economic Cooperation*

We are working to improve and extend the international economic system, to strengthen international economic institutions, and to ensure that international economic competition takes place in an orderly fashion. We will seek to improve cooperation among nations in the IMF, the GATT, the World Bank, the OECD, and other international organizations which have enabled us to maintain an open, liberal, trade and payments system.

The American economy remains strong. Our competitive position in international trade is excellent. In 1977 our merchandise exports exceeded imports (except for oil) by a large amount. Our inflation rate is among the lowest in the industrial world.

But our balance of trade and payments incurred a large and worrisome deficit. There were two main causes:

—In 1977, \$45 billion flowed out to pay for imported oil. This wiped out what would otherwise have been a trade surplus.

—The demand here for foreign goods was much greater than the demand for American goods abroad. In 1977, American GNP increased roughly twice as fast in real terms as the GNP of our main trading partners.

Against this background, the exchange rate of the dollar declined relative to the currencies of Japan, Germany, Switzerland, and other European countries. These developments led to disorderly conditions in the exchange markets. In December I made clear that the United States would intervene to counter these disorders, and we have done so.

To assure the integrity of the dollar we must act now:

—We need a healthy and growing United States economy, with adequate investment, a prudent budget, and declining inflation. This will make us more competitive and more attractive to foreign investors.

—We need to conserve energy and develop alternative sources of supply. This will reduce our dependence on imported oil, and cut the outflow of dollars.

—We need to see a more vigorous world economy. Stronger growth, particularly in countries like Germany, Japan, Switzerland, and the Netherlands,

can help reduce our own deficits and bring stability to international payments.

Factors already at work will reduce our trade deficit. Economic activity in Europe and elsewhere should rise. Our oil imports should level off this year. The effect of new exchange rates that have already occurred will, when their full effect is realized, improve our trade balance by several billions of dollars. While our trade and payments deficit in 1978 will be large, our external position should show some improvement.

We must also augment our capacity to deal with possible strains and pressures by strengthening our international trade and monetary system. I urge the Congress to act promptly to approve United States participation in the IMF's Supplementary Financing Facility.

The trading nations of the world are engaged in negotiations to reduce barriers and improve the international trading system by a reciprocal and balanced opening of markets. Freer trade will enable us all to use the world's resources more efficiently and will contribute to economic growth.

We will also attempt to strengthen the rules that have regulated international trade during the last 30 years. International competition must take place within a framework of agreed rules that are recognized as appropriate and fair.

#### THE DEVELOPING COUNTRIES

One of the most critical issues facing the United States is our economic and political relationship with developing countries. Our economy has become visibly dependent on the developing world for supplies and markets.

*North-South Dialogue*

Throughout 1975 and 1976 the United States and other developed countries worked with a group of developing nations in the Conference of International Economic Cooperations (CIEC). That "North-South Dialogue" reached agreement on some issues in June 1977, but there remain a number of unresolved questions. The United States will continue to consult and negotiate with developing countries on questions like commodity price stabilization, technology, and a common fund for international buffer stocks. We will pursue the North-South dialogue in the months ahead, confident that the developed nations and the developing nations can agree upon measures that will let all nations participate more fully in the management of the world economy.

*Africa*

Our relations with Africa involve energy, human rights, economic development, and the North-South dialogue. The Maputo and Lagos Conferences demonstrated that African countries can discuss difficult problems with us, to mutual advantage. Our relations with Nigeria have improved dramatically.

The Administration's FY 79 budget substantially increases development assistance to Africa, including continued support for the African Development Fund, and other programs to help African governments meet their people's basic human needs. The growth of African regional institutions like the Sahel Development Fund is important to African development.

*Latin-America/Caribbean*

The Administration's approach to Latin America and the Caribbean recognizes this region's diversity. We have placed great importance on the protection

and defense of human rights, on halting the proliferation of nuclear weapons capabilities, on restraining conventional arms sales, on contributing to the settlement of disputes, and on engaging Latin governments in global economic negotiations.

We are now seeking Senate ratification of Protocol I of the Treaty of Tlatelolco, and the American Convention on Human Rights. Through the Caribbean Group, we are trying to promote regional development. And we intend to help several nations develop alternative energy sources.

*Panama*

General Torrijos and I signed the two Panama Canal Treaties on September 9 [7], 1977. These treaties meet the legitimate interests of Panama and the United States and guarantee our permanent right to protect and defend the Canal. They will contribute importantly to regional stability.

*Asia*

The United States has sought to underline our desire for a close relationship with the developing countries of Asia through my visit to that continent and through regular contacts with the member countries of the Association of Southeast Asian Nations. We welcome the cooperation with ASEAN of the developed countries of the region, such as Japan and Australia.

**PROMOTING REGIONAL RECONCILIATION**

The greatest danger to world peace and stability is not war among the great powers, but war among small nations. During the past year, the United States has helped to promote productive negotiations in two troubled regions: the Middle East and Southern Africa. We have also tried to settle conflicts in the



Horn of Africa and on Cyprus. And we have negotiated two Panama Canal Treaties that will enhance our country's relations with all the nations of Latin America.

### *The Middle East*

In an effort to break with the rigid approaches of the past and bring about an overall peace settlement, I have looked to three basic principles: normalization of political, economic and cultural relations through peace treaties; withdrawal of armed forces from occupied territory to recognized and secure borders and the establishment of effective security measures; and a resolution of the Palestinian question.

Significant progress toward peace in the Middle East was made last year; we particularly applaud President Sadat's courageous initiative, reciprocated by Prime Minister Begin, in launching direct negotiations. The United States will continue this year to encourage all parties to resolve this deep-seated conflict.

### *Southern Africa*

The entering Administration inherited problems in Rhodesia, Namibia, and South Africa.

—With the British, the United States launched new Rhodesian discussions last year. The Anglo-American Plan of September 1 sets forth fair and workable principles for majority rule: a transition period leading to free elections, a UN presence, a constitution with a judicially protected bill of rights, and a Zimbabwe Development Fund.

—The five-power Contact Group, in which the United States participates, has held discussions with South Africa and with the Southwest Africa Peoples Organization and other interested parties on an

internationally acceptable settlement for an independent Namibia under majority rule. This effort has produced wide agreement, including provisions for a substantial UN presence.

—The United States has told the South African Prime Minister that unless his nation begins a progressive transformation toward full political participation for all its people, our relations will suffer. We supported a Union Nations arms embargo on South Africa, prohibited "gray area" sales, and began a review of US/South African economic relations.

### *The Horn of Africa*

Arms supplied by the Soviet Union now fuel both sides of a conflict in the Horn of Africa between Somalia and Ethiopia. There is a danger that the Soviet Union and Cuba will commit their own soldiers in this conflict, transforming it from a local war to a confrontation with broader strategic implications.

We deplore the fact that disagreements in this region have grown—with the assistance of outside powers—into bloody conflict. We have made clear to both sides that we will supply no arms for aggressive purposes. We will not recognize forcible changes in boundaries. We want to see the fighting end and the parties move from the battlefield to the negotiating table.

### *Cyprus*

We hope that the groundwork was laid in 1977 for a permanent settlement in Cyprus and we are encouraging movement in that direction.

## PRESERVING PEACE

During the past year, the Administration has assessed the threats to our own and our Allies' security, as well as our collective strength to combat these threats.

We have sought to promote responsible arms control efforts and to reduce competition in arms. Recognizing that a strong defense is the foundation of our security, we have made certain that our defense spending will be sufficient and used to maximum effect.

#### *Arms Control*

The fundamental purposes of our arms limitations efforts are to promote our own national security and to strengthen international stability, thereby enhancing the prospects for peace everywhere.

—We are trying to move the Strategic Arms Limitation Talks toward more ambitious objectives. We want to reduce, not just contain, the competition in the number of strategic weapons possessed by the United States and the Soviet Union, and to limit qualitative improvements in weapons which merely raise the risks to all of us. Precisely because of our determination to obtain both of these objectives negotiations have been difficult and prolonged. However, I am confident that the agreement that we will present to the Congress will meet them.

—We have also made solid progress toward an objective that the United States has pursued for many years: a comprehensive treaty banning all nuclear explosions. This treaty will be open to all nations of the world. It will be a major step toward reduced reliance on these weapons and toward halting their further spread in the world.

—At the same time we are seeking arms limitations agreements with the Soviet Union that will contribute to security and stability in various regions of the world. In Europe we and our NATO Allies are seeking a mutual and balanced force reductions agreement that will achieve greater stability and balance at lower levels of forces. In the Indian

Ocean, where neither we nor the Soviet Union has yet deployed military power on a large scale, we are working for an agreement to prevent a major military competition.

—For the first time, we have begun to negotiate with the Soviet Union the outlines of a treaty banning chemical warfare.

—An essential element of American security is the maintenance of stability in the Western Pacific, where the United States plays a major role in maintaining a balance of power. We are seeking to re-adjust our military presence in Korea by reducing our ground forces on the Peninsula and undertaking compensatory measures to ensure that an adequate balance of forces remain. We are talking with the Filipino government about the future of our military bases there.

—We are continuing the process of normalization of our relations with the People's Republic of China within the framework of the Shanghai Communiqué.

—In the last year, we have sought to halt the worldwide spread of nuclear weapons capacity. Nearly 40 nations have joined with us in an effort to find nuclear power sources that cannot be readily used for building nuclear weapons.

#### *Defense Posture/Budget*

The defense budget that I am recommending to Congress will fulfill our most pressing defense needs. I am requesting increases in defense spending that more than compensate for inflation. They are needed to maintain an adequate military balance in the face of continued Soviet military efforts.

—As we negotiate with the Soviets over strategic arms, we are continuing to preserve essential equivalence in strategic nu-

clear strength. Here our technological advantage over the Soviet Union is most apparent. We are building cruise missiles, which together with upgraded B-52s will assure the capability of this element of our Triad. We are continuing to develop the M-X missile system in case we need to deploy them. In this budget, I am requesting funds for continued increase in our Trident submarine force, which is our most important strategic program because submarines are so hard for any enemy to destroy.

—With our NATO Allies we are trying to improve the initial combat capability of NATO forces. We will improve the readiness of critical combat units, enhance American capability to send ground and tactical air forces reinforcements, and increase our permanent forces there. To lay the foundation for future improvements, the budget I propose requests 18% increases in the procurement of equipment for the Army. The United States is not taking these steps alone; we are participating in a mutual effort.

—The importance of sea forces to United States national security is undisputed. The Navy receives the largest share of the defense budget, and I am requesting funds to continue its modernization. But, we need to examine the appropriate size and mix of United States naval forces in the future. Therefore, I have deferred spending for new aircraft carriers until a current Defense Department study is completed early this year. While we maintain our naval strength, we should have the capability to deploy rapidly a light but effective combat force worldwide, if necessary, without overseas base support. To this end, I am requesting funds for a vigorous airlift enhancement program.

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In these and other ways, we are seeking to develop a foreign policy which is wider

in scope; a foreign policy which recognizes global diversity; and a foreign policy which builds a more just and stable international system.

JIMMY CARTER

The White House,  
January 19, 1978.

## Economic Report and Tax and Budget Messages

*Remarks at the Signing Ceremony.  
January 20, 1978*

THE PRESIDENT. It's a pleasure this morning to come and sign three very important documents, I think, which describe what our Nation has done this past year and what we expect to do this coming year and in the years afterwards.

As I mentioned last night in my State of the Union speech, the economy has made great progress in 1977, and we hope through proper economic decisions and careful planning and cooperation between me, the Congress, and the public sector of our Nation, to continue this progress during 1978.

We anticipate that the increase in the gross national product will be almost 5 percent, that the unemployment rate will continue to go down—perhaps not as rapidly as in 1977, but at a steady pace—and that we can indeed control inflation.

We have a strong economy. Our Nation quite often forgets in transient times of adverse monthly reports that we are still the strongest nation on Earth. We've been blessed with a free enterprise system that encourages initiative. We've been given great natural resources by God, and we've husbanded them very well and we can do better. And I think we have an at-

titude and a confidence that augers success for us in the future.

This Economic Report is one that describes very clearly the challenges for this coming year, and it also describes how we can indeed continue the good progress that has been shown in our Nation during the last 12 months.

I want to congratulate all the people behind me for having helped to make it possible to give this good report and who will help me during the coming year to carry out these programs and to reach the goals that we've described here.

*[At this point, the President signed the Economic Report.]*

Charlie, thank you very much. Would you like to add anything?

DR. SCHULTZE. No, sir. I think you did so well on it that I'm afraid anything I added would detract. *[Laughter]*

THE PRESIDENT. The next document that I'd like to sign today is the tax message, which I outlined in very brief terms last night.

This is a very far-reaching and complicated tax proposal, but at the same time, it greatly simplifies the tax laws of our Nation. It makes them much more fair and equitable, easier to understand, and also gives a \$25 billion reduction of the tax burdens on the American people.

Included in the tax message is a delineation of substantial tax reforms, quite far-reaching; some have said the most far-reaching set of tax proposals in the history of our country. These, I hope, will be acted upon by the Congress expeditiously. Without the tax reforms, the amount of the tax reduction would not be advisable. So, tax reform and tax reduction are tied very intimately together.

I think that the Treasury Department has done an outstanding job. And even at this signing ceremony, I would like to say that throughout this document, which is

highly professional in its quality, the hand of Larry Woodworth can be seen on almost every page. He will be receiving an award, posthumously, in a few moments. But I think I would be remiss if I didn't point out the great contribution that he made, the profound professionalism that he brought to his job, and the, I think, unequaled trust and confidence that Members of both the House and the Senate, the executive branch of Government, and the public placed in this wonderful man. Unfortunately, he died this past fall, but his memory lives with us. And I think the superb quality of the tax message is attributable in a great degree to his contribution.

Secretary Blumenthal, I'd also like for you to congratulate all your people for the good work that has been done. I look forward to a rapid passage of this legislation. It will be effective, according to our proposal, on the 1st of October 1978.

We anticipate fairly good economic news for the United States the first two quarters of this year. We have a good momentum going, fairly low inventories which will encourage production to continue to go up. But without this tax reduction, the dampening effect of the present trends will be felt the last half of this year. And we want to be sure that this progress that has been realized is uninterrupted and that tax reduction will be the key to sustaining growth, reduction in unemployment, and the containment and control of inflation.

So, I'd like now to sign the tax measure that will go to Congress. The tax measure will go up when?

SECRETARY BLUMENTHAL. Saturday.

*[At this point, the President signed the tax message.]*

THE PRESIDENT. Saturday. In both these instances, Charlie Schultze and Mike Blumenthal would have given the

press a detailed briefing on them, and then the messages will go to Congress quite soon.

The third document that I'd like to sign—and this is just a part of it—is the 1979 fiscal year budget. This is the first budget that I've had a chance to prepare as President. I inherited the 1978 fiscal year budget, and we could make some last-minute changes in it.

This has been completely evolved using the new zero-based budgeting technique. It was an extraordinarily gratifying experience for me and, I think, for the officers and workers in the Office of Management and Budget. It's tight. It's well-considered. It meets the human needs of our people. It improves greatly our own national defense capability. It doesn't waste money. It has a relatively low increase in expenditures compared to previous years. It's a good step toward a balanced budget if we can sustain the economic prosperity that seems to be in progress. And I think it's a great tribute to the professionals who have helped in its preparation.

I've spent a great deal of time this past year in meetings with the budget officers and also in meetings with the leaders of the departments and agencies who will be served well by this budget. We have, I think, a good presentation to make to the Congress, and I believe it will be well received.

So, I'm proud of the '79 fiscal year budget and believe that in the future, we can do an even better job as the innovative and progressive consequences of a zero-based budgeting technique are learned even better by the agencies of our Government.

[At this point, the President signed the budget message.]

Mike, would you or Jim like to add a word?

SECRETARY BLUMENTHAL. No, Mr. President. I think you've said it all.

THE PRESIDENT. Well, I won't answer questions this morning on these, but as I said earlier, Jim McIntyre, on the budget, and Mike Blumenthal, on the tax reductions and reform measure, and Charlie Schultze, on the economy, will be available for complete briefings on these documents and on our proposals.

Thank you very much.

NOTE: The President spoke at 10 a.m. in the Roosevelt Room at the White House.

Present at the ceremony were Charles L. Schultze, Chairman of the Council of Economic Advisers, Secretary of the Treasury W. Michael Blumenthal, and James T. McIntyre, Jr., Acting Director of the Office of Management and Budget.

For the texts of the Economic Report and the tax and budget messages, see pages 129, 158, and 185, respectively, of this volume.

## Alexander Hamilton Award for Laurence N. Woodworth

*Remarks of the President and Secretary of the Treasury Blumenthal at the Presentation Ceremony. January 20, 1978*

THE PRESIDENT. As I mentioned earlier as I signed the tax message, there was a special feeling in the minds and hearts of everyone who knew Larry Woodworth that he exemplified every attribute of what a public servant should be.

He occupied a position with the Senate Finance Committee and the House Ways and Means Committee where he worked closely with both groups, and he had such a high integrity and such superb professional competence that his word was accepted in the most detailed and controversial issues facing our Nation's tax decisions. I don't know of another public servant, a professional, who can equal the esteem with which Larry Woodworth was known.

I got to know Larry Woodworth before I became President. He came down to

Plains to describe to me some of the questions, some of the problems, some of the opportunities with the tax structures of our Nation. He was the first Assistant Secretary that I was privileged to appoint. And as he moved from the legislative into the executive branch of Government, the move was an uninterrupted means for him to continue to contribute.

This is the highest award that the Treasury Department can give, the Alexander Hamilton Award, for outstanding service to a man who was not only outstanding in his professional life but also in his private life. He was a deeply religious man, and the morality that permeated his activities and his attitudes was an inspiration to all who knew him.

He was a Sunday school teacher. He was a good family man. And his loss, which was quite unexpected, came in the service of his Nation. And I know that Secretary Blumenthal, who is the one who grants this award, would like to add a word to what I've said about Larry Woodworth.

I wish he was here to accept the award in person, but his wife is here, Mrs. Woodworth.

Mr. Secretary, I'll give the award to you now for presentation.

SECRETARY BLUMENTHAL. Thank you, Mr. President. I merely wish to echo what you have said about Larry Woodworth and to say that his expertise and his professionalism were a great inspiration to all of us in the Treasury and, particularly, I learned a great deal from him.

I came very quickly to admire him and to rely on his judgment and to follow his advice. He had more to do than any single person in helping the President shape this program, which he's sending to the Congress today, and virtually every page of that document and every recommendation that the President is making, in one

way or another, has the stamp and the flavor of Larry Woodworth printed on it.

So, this is a very special day for all of us. I therefore would like to present to you the Alexander Hamilton Award, Mrs. Woodworth, for Larry, together with the certificate and the citation.

THE PRESIDENT. He was also a good guy and a good friend. There was a personal thing about Larry, a warmth that just made everybody care for him.

MRS. WOODWORTH. Well, he thought very highly of you, as you know. And I always thought that we should have a double Sunday school lesson sometime. *[Laughter]*

THE PRESIDENT. Thank you very much. Thank you, everybody.

NOTE: The President spoke at 10:11 a.m. in the Roosevelt Room at the White House. Laurence N. Woodworth was Assistant Secretary of the Treasury for Tax Policy from February 24, 1977, until his death on December 7, 1977.

## Executive Schedule

### *Executive Order 12035. January 20, 1978*

#### RELATING TO CERTAIN POSITIONS IN LEVEL IV OF THE EXECUTIVE SCHEDULE

By virtue of the authority vested in me by Section 5317 of Title 5 of the United States Code, and as President of the United States of America, Section 1 of Executive Order No. 11861, as amended, placing certain positions in Level IV of the Executive Schedule, is further amended by deleting "Adviser to the Secretary (Counselor, Economic Policy Board), Department of the Treasury" in subsection (13) and inserting in lieu thereof "Assistant Secretary (Enforce-

ment and Operations), Department of the Treasury”.

JIMMY CARTER

The White House,  
January 20, 1978.

[Filed with the Office of the Federal Register,  
12:18 p.m., January 20, 1978]

## The Cyprus Conflict

*Message to the Congress Reporting on  
Progress Toward a Negotiated Settlement.  
January 20, 1978*

*To the Congress of the United States:*

As required by Public Law 94-104, this report describes the progress that has been made during the last sixty days towards a negotiated settlement on Cyprus.

In my last such report to the Congress, submitted on October 28, I described with cautious optimism the efforts that the Administration had been undertaking to promote an early resumption of meaningful intercommunal negotiations under the auspices of the United Nations. Over the past sixty days we have continued to discuss the Cyprus issue extensively with Turkish, Greek and Cypriot representatives and with U.N. officials, our purpose remaining that of persuading the parties to resume intercommunal talks at the earliest possible date and to be prepared to come to the table with substantive, negotiable proposals.

The Cyprus situation was discussed in the bilateral meetings that Secretary Vance held with Greek Foreign Minister Papaligouras and Turkish Foreign Minister Caglayangil in Brussels in early December. These conversations and contacts with the two Cypriot communities have fortified our belief that a Cyprus settlement is earnestly desired by the parties

concerned, and that they accept the need to resume negotiations to this end. Foreign Ministers Papaligouras and Caglayangil also met bilaterally in Brussels, and in a joint communique stated that Greece and Turkey would continue to encourage a prompt resumption of negotiations as a means of promoting a comprehensive solution of the Cyprus problem.

We hope that the recent elections in Greece will give new momentum to the search for a Cyprus settlement. Prime Minister Caramanlis said in his policy statement to the Chamber of Deputies in Athens on December 14 that his government “will continue to support the intercommunal talks under U.N. aegis and will provide its full support to the people of Cyprus . . .”

The Turkish Government has in recent weeks given public evidence of its favorable attitude towards a settlement on Cyprus. In a series of public interviews late in November, Foreign Minister Caglayangil declared his support for an early resumption of negotiations and indicated Turkish flexibility with respect to both territorial and constitutional aspects of a package agreement. He also called for economic cooperation between the two Cypriot communities, and reaffirmed the Turkish Government's intent to withdraw its troops from the island once a settlement is in effect. This Administration has welcomed Foreign Minister Caglayangil's statements as containing a number of positive elements, and we have also noted as steps in the right direction the Turkish Government's decisions to withdraw an air force unit and 700 of its ground forces from Cyprus. It is our hope and expectation, based on the Turkish Government's announcement, that additional troop withdrawals will be made. Steps such as these might improve the general atmosphere so as to encourage the sense of trust

required to make meaningful talks possible.

Since late October the Administration has actively encouraged the two Cypriot communities to reach agreement on formulation of a joint committee—with International Red Cross participation—to investigate cases of persons reported as missing and unaccounted for since the intercommunal violence of the 1960's and the Turkish intervention of 1974. Work towards establishment of such a committee is proceeding. Tracing missing persons is, of course, a humanitarian rather than a political matter. Nevertheless, the experience of these past two months demonstrates that practical solutions to the problems that divide Greek and Turkish Cypriots might indeed be attainable. The readiness of both Cypriot parties to accept a simple and non-controversial resolution on missing persons in the U.N. General Assembly's Third Committee testified to a constructive attitude on this issue.

The United Nations General Assembly conducted its annual debate on Cyprus November 7–9, and the Security Council approved on December 15 the extension for a further six months of the mandate of the U.N. peacekeeping force on Cyprus (UNFICYP). The General Assembly debate provided the opportunity for a thorough debate of the issues involved in the Cyprus dispute. Renewal of the UNFICYP mandate, in itself an important step, was significant also for the commendable spirit of compromise displayed by the several parties concerned.

Resolute movement towards intensified negotiations is still required, and in the weeks and months ahead we will persist in our efforts to achieve this goal. We believe we are proceeding in the right direction, and we remain hopeful that sub-

stantive progress towards a just and lasting Cyprus settlement can be achieved.

JIMMY CARTER

The White House,  
January 20, 1978.

## National Science Board

*Message to the Congress Transmitting a Report. January 20, 1978*

*To the Congress of the United States:*

I am pleased to submit to the Congress the Ninth Annual Report of the National Science Board, entitled *Science Indicators—1976*. This report is the third in a series of reports describing key aspects of the status of American science and technology.

The data and indicators presented herein should prove useful to anyone needing an authoritative source of information on various aspects of the scientific enterprise in this country.

Many of these indicators show that the United States continues to rank high in most areas of science. It is particularly important to maintain this strength through an adequate level of national investment in basic, long-term research because that type of research precedes and underlies advances in many areas of national interest such as health, energy, defense, agriculture, and industrial productivity.

I commend *Science Indicators—1976* to the attention of the Congress.

JIMMY CARTER

The White House,  
January 20, 1978.

NOTE: The report is entitled "Science Indicators—1976, Report of the National Science Board, 1977" (Government Printing Office, 304 pages).



## Economic Report of the President

*Annual Message to the Congress.  
January 20, 1978*

*To the Congress of the United States:*

I will be working closely with the Congress in 1978 to enact a program addressed to the immediate and the long-term needs of our economy. I am proposing tax reductions and reforms to continue our strong economic recovery, to encourage increased investment by American businesses, and to create a simpler and fairer tax system. I am seeking legislation to address the special problems of the disadvantaged and the unemployed. And I am taking new steps to combat inflation.

This report to the Congress on the condition of the economy sets forth the overall framework within which my economic proposals were formulated. It outlines, for you and for the Nation, my economic priorities for the years ahead and my strategies for achieving them.

I have begun from the premise that our economy is basically healthy, but that well-chosen Government policies will assure continued progress toward our economic goals.

Last year more than four million new jobs were created in our country—an all-time record—and unemployment was reduced by more than one million persons. Output rose by almost 6 percent, and the benefits of this large increase were widely shared. The after-tax income of consumers, adjusted for inflation, rose substantially during 1977. Wages of the typical American worker increased by more than the rise of prices, and business profits also advanced.

The American economy is completing three years of recovery from the severe recession of 1974–75. Recovery in most other nations has lagged far behind our

own. In the economies of our six major trading partners, seven million persons were unemployed at year's end—more than at the depths of the 1974–75 recession. Our inflation rate is also lower than in most other nations around the world. We have a great many accomplishments. But much progress remains to be made, and there are problems to be dealt with along the way.

The recession of 1974–75 was the worst in 40 years, and the substantial increase in output over the past three years still leaves the economy operating below its productive potential. We cannot be content when almost 6½ million people actively seeking jobs cannot find work, when 3¼ million workers take part-time jobs because they cannot find full-time employment, and when one million people have stopped looking for a job because they have lost hope of finding one. We cannot be content when a substantial portion of our industrial plant stands idle, as it does today.

We cannot be satisfied with an economic recovery that bypasses significant segments of the American people. Unemployment among minorities is more than twice as high as that among whites—and unemployment among minority teenagers is tragically high. Women have fewer satisfying job opportunities than men, and older Americans often find their access to the job market blocked. Farm incomes have dropped precipitously.

We must also address other problems if we are to assure full restoration of prosperity. Inflation is a serious economic concern for all Americans. The inflation rate is too high and must be brought down. Moreover, a residue of unease and caution about the future still pervades the thinking of some of our people. Businesses are still hesitant in their long-term investment planning, and the stock market re-

mains depressed despite the substantial increase in business profits.

The economic difficulties that we face in the United States also confront most nations around the world. Our mutual problems are the legacy of the trauma suffered by the world economy during the early 1970s. The massive escalation of oil prices since 1973 continues to impose great burdens on the world economy. Oil imports drain away the purchasing power of oil-importing nations and upset the international balance of payments.

Many foreign governments have been reluctant to adopt policies needed to stimulate economic growth because they are concerned that inflationary pressures might be renewed or that their balance of international payments might be worsened. Abroad, as well as at home, concerns about the future have deterred business investment in new plants and equipment. As a consequence, economic growth has stagnated in many countries, and the rise in the capital stock needed to increase productivity, raise standards of living, and avoid future inflationary bottlenecks is not occurring.

The problems we face today are more complex and difficult than those of an earlier era. We cannot concentrate just on inflation, or just on unemployment, or just on deficits in the Federal budget or our international payments. Nor can we act in isolation from other countries. We must deal with all of these problems simultaneously and on a worldwide basis.

Our problems cannot be solved overnight. But we can resolve them if we fix our sights on long-term objectives, adopt programs that will help us to realize our goals, and remain prepared to make adjustments as basic circumstances change.

In making my decisions on tax and budget policies for fiscal 1979, and in planning more generally for our Nation's

future, I have been guided by four objectives for our economy that I believe our Nation should pursue.

*We must continue to move steadily toward a high-employment economy in which the benefits of prosperity are widely shared.* Progress in reducing unemployment of our labor and capital resources must be sure and sustainable. Over the next several years I believe we can increase our real output by 4½ to 5 percent per year, and reduce unemployment by about one-half of a percentage point each year. An especially high priority is to increase job opportunities for the disadvantaged, particularly for black and Spanish-speaking Americans, and to deal more effectively with local pockets of unemployment, such as those in urban areas. We should eliminate unfair advantages through reform of the tax system, and restructure our welfare system to assure that the fruits of economic growth are enjoyed by all Americans.

*We should rely principally on the private sector to lead the economic expansion and to create new jobs for a growing labor force.* Five out of every six new jobs in the economy are created in the private sector. There are good reasons for continuing to rely mainly on the private sector in the years ahead. By emphasizing the creation of private jobs, our resources will be used more efficiently, our future capacity to produce will expand more rapidly, and the standard of living for our people will rise faster. Reliance upon the private sector does not mean neglecting the tasks that government can and must perform. The Federal Government can be an active partner to help achieve progress toward meeting national needs and, through competent management, still absorb a declining portion of the Nation's output.

*We must contain and reduce the rate of inflation as we move toward a more fully employed economy.* Inflation extracts a heavy toll from all Americans, and particularly from the poor and those on fixed incomes. Reducing inflation would benefit us all. A more stable price environment would make it easier for business firms and consumers to plan for the future. Thus, reduced inflation would substantially enhance our chances to maintain a strong economic expansion and return to a high-employment economy. In the years ahead we must seek to unwind the inflation we have inherited from the past and take the steps necessary to prevent new inflationary pressures as we approach high employment.

*We must act in ways that contribute to the health of the world economy.* As the strongest economy in the world, the United States has unique responsibilities to improve the international economic climate. The well-being of the United States depends on the condition of other nations around the world. Their economic destiny is, in turn, shaped by ours. The United States can retain its stature in the world only by pursuing policies that measure up to its role as a leader in international economic affairs.

These four economic objectives are sufficiently ambitious to constitute a serious challenge, but sufficiently realistic to be within our reach. A well-designed program will permit us to achieve them. The principal elements of my economic strategy are:

- Adopting promptly an effective national energy program;
- Managing Federal budget expenditures carefully and prudently, so that we can meet national needs while gradually reducing the share of our national output devoted to Federal spending;
- Using tax reductions to ensure steady growth of the private economy and reforming the tax system to make it fairer, simpler, and more progressive;
- Working to reduce the Federal deficit and balance the budget as rapidly as the developing strength of the economy allows;
- Improving existing programs and developing new ones to attack the problem of structural unemployment among the disadvantaged;
- Promoting greater business capital formation in order to enhance productivity gains, increase standards of living, and reduce the chances that capacity shortages would inhibit expansion later on;
- Adopting more effective programs to reduce the current rate of inflation and prevent a reacceleration of inflation as we approach high employment; and
- Pursuing international economic policies that promote economic recovery throughout the world, encourage an expansion of world trade, and maintain a strong international monetary system.

#### PROMPT ADOPTION OF THE NATIONAL ENERGY PLAN

It has now been over four years since our economy was buffeted by the oil embargo and its aftermath of sharply increased oil prices. The massive oil price increase in 1973–74 contributed to the double-digit inflation of 1974 and to the worst recession in 40 years. It is a primary factor today behind the large deficit in our international balance of payments. Yet the United States still has not enacted a comprehensive and effective energy policy.

Our dependence on imported oil is sapping the strength of the American

economy. Last year our imports of oil reached a total of about \$45 billion, compared with \$8½ billion in 1973. The increased expenditures on those imports have been like a sudden and massive tax imposed on the American people. Only part of the revenues have been returned to the United States in the form of higher exports of American goods to oil-producing countries. As a consequence, that "tax" has become a major obstacle to economic growth.

The huge deficit in foreign trade arising from our oil imports has contributed to the fall in the value of the dollar abroad. The dollar's decline has raised the cost of the goods we import and contributed to inflation. Our deficit also has unsettled international monetary markets, with adverse consequences for our international trading partners. Our response to the energy crisis is therefore a central element in our international and domestic economic policy. The energy program will not solve our problems at once, but it will pave the way for a balanced foreign trade position and a strong and sound dollar.

Our energy problems will worsen in the years to come unless we curb our appetite for oil and gas. Without decisive action, we will put additional pressure on the world oil market, aggravate inflationary pressures at home, and increase our vulnerability to the threat of oil supply disruptions. Together, these forces could severely limit the potential for continued economic progress over the coming decade.

The United States has no choice but to adjust to the new era of expensive energy. We can only choose when and how. If we act today, we have time to make a gradual transition to more efficient energy use—by conserving energy, increasing domestic energy production, and developing alter-

native sources of energy. If we delay, adjustment later will be harsh and painful, requiring draconian measures to accomplish what can now be done gradually and with far less anguish.

The energy problem we face is enormously complex. Finding an acceptable and effective solution has not been easy for me or for the Congress. I look forward to working closely with the Congress early this year to assure a speedy resolution. An acceptable bill must satisfy the following principles:

- First, the program must effectively reduce our consumption of limited energy supplies—oil and gas—while encouraging energy production and promoting a transition to the use of resources that are more abundant.
- Second, the program must be fair. No segment of the population should bear a disproportionate share of the cost or burden of adjustment, and no industry should reap unnecessary and undeserved windfall gains.
- Third, the program must be consistent with our overall economic strategy. It must neither undermine our efforts to continue the recovery nor obstruct achievement of our long-term budgetary goals.

Dealing with the energy problem is a difficult test for our Nation. It is a test of our economic and political maturity. Our people would surely react if there were an immediate crisis. But I am asking them to undertake sacrifices to *prevent* a crisis. If we fail to act today, we will bring a crisis upon ourselves and our children in years to come.

#### CAREFUL MANAGEMENT OF FEDERAL BUDGET EXPENDITURES

My Administration has given high priority to making more effective use of lim-

ited Federal resources. In fiscal 1976, Federal outlays amounted to 22½ percent of the Nation's gross national product. This is considerably higher than the share devoted to government spending that prevailed for many years. To some degree, the recent higher share reflects the fact that the economy is still performing below its capacity, and that Federal programs to support the unemployed and the needy are larger than they would be in a high-employment economy. But it also stems from very rapid growth in a number of Federal programs instituted over the past 10 to 15 years.

Most of our Federal expenditure programs are designed to achieve important national goals that the private sector of the economy cannot accomplish. Only the government can provide for the national defense, and government resources are essential to cushion the hardships created by economic recession, to preserve our national resources, to protect the environment, and to meet other critical needs.

The Federal Government has a particular obligation to provide assistance to those who remain in need even during good times. Last year I presented to the Congress a program to reform the welfare system—the Better Jobs and Income Act of 1977—that is a concrete example of our commitment to devote resources to the most pressing national needs. My program will cost money. But it also will establish a more easily understood welfare system that is less costly to administer, less subject to abuse, and more responsive to the true needs of those who receive a helping hand from government. This program will create up to 1.4 million jobs for those able to work, and it will replace the patchwork of Federal, State, and local programs with a consistent income-support system that will relieve

much of the enormous burden now placed on State and local governments.

In the management of a business enterprise, efficiency is enforced by the discipline of the market place. The collective judgments of millions of consumers establish an environment in which waste and efficiency are eventually penalized. The government, however, is not subject to that discipline. We in government must therefore impose stringent controls on ourselves to ensure greater efficiency and to make better choices among the possible uses of the taxpayers' money.

To assist us in this endeavor, I have adopted methods of budgetary control that have been tested in the business community. Early last year I asked the Office of Management and Budget to inaugurate a system of zero-based budgeting throughout the Federal Government. Within this budgetary system, every Federal program is given careful scrutiny—no matter how large or how small it may be, no matter how long it has been in existence or how recently established. This new system of budgetary planning helped to hold down less essential outlays in the budget for fiscal 1979 and focus our resources on our important national needs. It will produce even greater savings in subsequent years. A process of multiyear budgeting also has been inaugurated within the Federal Government that will require tentative budget plans to be developed and reviewed for three years ahead. With this system we can more effectively control future expenditures—by avoiding commitments now to endeavors that would grow in the future beyond the proportions we desire.

In formulating my recommendations for the 1979 budget, I have exercised very strict controls over spending. Adjusted for inflation, the increase in out-

lays has been held to less than 2 percent and the share of Federal expenditures in GNP will fall to 22.0 percent. I intend to continue prudent expenditure controls in the future. With good management we can, I believe, achieve our Nation's important social goals and still reduce over time the share of gross national product committed to Federal expenditures to about 21 percent.

USING TAX REDUCTIONS TO PROMOTE  
STEADY ECONOMIC EXPANSION

I propose to rely principally upon growth in the private sector of the economy to reduce unemployment and raise incomes. Special Federal efforts will, of course, be necessary to deal with such problems as structural unemployment, but tax reductions will be the primary means by which Federal budget policy will promote growth. Careful management of budget outlays and a growing economy should permit substantial reductions in the years ahead. Tax reductions will be needed to strengthen consumer purchasing power and expand consumer markets. Stable growth in markets, together with added tax incentives for business, will lead to rising business investment and growing productivity.

As inflation and real economic growth raise the incomes of most Americans, they are pushed into higher income tax brackets. The tax burden on individuals is raised just as if higher rates had been enacted. The payroll taxes levied on workers and business firms for social security and unemployment insurance will also increase substantially over the years ahead. These are very large increases, but they are needed to keep our social security and unemployment insurance systems soundly financed.

Between 1977 and 1979, taxes on businesses and individuals will rise very

sharply as a result of these several factors. Even though our economy is basically healthy, this increasingly heavy tax burden would exert a mounting drag on economic growth. It must, therefore, be counteracted by tax reductions. The magnitude and timing of the reductions should be designed to maintain economic growth at a steady pace, taking into account the effects both of the growing tax burden and of other factors at work in the economy.

Consistent with this strategy, I am proposing a \$25 billion program of net tax reductions accompanied by substantial tax reforms.

Individual income taxes will be reduced primarily through across-the-board reductions in personal tax rates, with special emphasis on low- and middle-income taxpayers. Personal taxes also will be simplified by my proposal to replace the existing personal exemption and credit with a tax credit of \$240 for each person in the taxpayer's family.

There also will be important reforms that will improve the individual income tax system and raise substantial revenues, enabling me to recommend larger personal tax reductions.

Overall, I am proposing personal tax reductions of \$24 billion, offset by \$7 billion in tax reforms. These tax cuts, which will take effect next October 1, will significantly improve the progressivity of the tax system. The typical four-person family with \$15,000 in income will receive a tax cut of \$258—or more than 19 percent. As a result of the changes I am recommending, filling out tax returns will be simpler for many people.

Individuals also will benefit from reductions I have proposed in the Federal excise tax on telephone bills, and in the Federal payroll tax for unemployment insurance. These two proposals will add

about \$2 billion to consumers' purchasing power that will be realized principally through lower prices.

Business taxes will be reduced by more than \$8 billion in 1979 under my tax program, offset partially by more than \$2 billion in business tax reforms for a net tax reduction of nearly \$6 billion. I have recommended that the overall corporate tax rate be reduced on October 1 from the current 48 percent to 45 percent, and be cut further to 44 percent in 1980. I also recommend that the existing 10-percent investment tax credit be made permanent, and that the benefits of this credit be extended to investments in industrial and utility structures. My proposal will enable businesses to use the investment tax credit to offset up to 90 percent of their Federal tax liability, compared with the 50-percent limit now imposed.

Important new tax reforms also will affect businesses. I am, for example, proposing to reduce the deductibility of a large class of business entertainment expenses. I have also proposed changes in the tax status of international business transactions that are of significant cost to taxpayers but that benefit the public insufficiently.

Because tax reform measures will raise \$9 billion in revenue, it has been possible for me to recommend \$34 billion in overall tax reductions while keeping the net loss in revenues to \$25 billion, the level I believe is appropriate given the state of our economy and the size of the budget deficit.

These proposals do not include any adjustment to take account of congressional action on my energy proposals. I proposed last April that the Congress pass a wellhead tax and rebate the proceeds of that tax directly to the American people. This is the best course to follow because it protects the real incomes of con-

sumers and avoids a new source of fiscal drag. If the final energy bill includes a full rebate of the net proceeds of the wellhead tax, no further action on my part will be necessary. However, if the final bill allows for a rebate only for 1978—as provided in the House version—I will send a supplemental message to the Congress recommending that the individual tax reduction I am now proposing be increased by the amount of the net proceeds of the wellhead tax.

These tax reductions are essential to healthy economic recovery during 1978 and 1979. Prospects for continuation of that recovery in the near term are favorable. Consumers have been spending freely, and many other economic indicators recently have been moving up strongly. Without the tax reductions I have proposed, however, the longer-term prospects for economic growth would become increasingly poor. Because of the fiscal drag imposed by rising payroll taxes and inflation, economic growth would slow substantially in late 1978, and fall to about 3½ percent in 1979. The unemployment rate would stop declining and might begin to rise again, and the growth of investment outlays for new plant and equipment would slow significantly.

With the reductions in taxes I have proposed, on the other hand, the economy should grow by 4½ to 5 percent in both 1978 and 1979. Nearly one million new jobs would be created. Unemployment would therefore continue to fall and by late 1979 should be down to around 5½ to 6 percent. Capacity utilization and after-tax business profits would both improve, and thus the rate of investment in new plants and equipment should increase significantly.

Success in keeping a firm rein on spending will permit further tax reductions in years to come. Our ability to foresee the future course of the economy is not good enough, however, to enable us to know when additional reductions will be needed or how large they should be. It would therefore be imprudent to plan specific policy measures now for more than the current and the next fiscal year. But I will make recommendations for budget and tax policies for 1980 and beyond that are in keeping with our objectives of steady growth in the economy, more stable prices, and principal reliance on the private sector to achieve economic expansion.

WORKING TO REDUCE THE FEDERAL DEFICIT AND BALANCE THE BUDGET AS SOON AS THE STRENGTH OF THE ECONOMY ALLOWS

Federal budgetary policy can play a constructive role in maintaining the health of the economy. There are times when large deficits in the Federal budget must be tolerated because they are needed to bolster the purchasing power of consumers and businesses. A budget deficit that persisted during a period of high employment and strong further growth of private demand, however, would put upward pressures on prices and would aggravate our inflationary problem. Under those circumstances, a budget deficit would also absorb savings that would be better used by the private sector to build new factories and offices and to purchase new machines. In order to assure that our economic progress remains on a solid footing and is not undermined by inflation, we must reduce the Federal budget deficit and achieve a balanced budget as soon as the developing strength in the economy allows.

The first requisite is careful management and control of Federal spending. The second is a prudent weighing of the need for tax reductions against the goal of budget balance.

This year I have proposed budgets that call for a deficit of \$62 billion in 1978, and one only slightly smaller in 1979. Had I decided not to recommend a tax cut to put additional purchasing power in the hands of consumers and businesses, the deficit in 1979 could have been \$15 to \$20 billion smaller. But I believe that tax reduction is essential to continued progress in an economy still characterized by substantial unemployment and idle plant capacity.

How rapidly we can restore budget balance depends on the strength of the private economy. Over the next few years, two factors will be of particular importance.

The first is the financial condition of State and local governments. In the past, the aggregate budget of these governments tended to be approximately in balance. Today the State and local sector as a whole is in surplus. In 1977, for example, aggregate State and local receipts from all sources exceeded expenditures by nearly \$30 billion. This overall surplus does not mean that every State and local government is in good financial condition. Many are hard pressed. Moreover, a large part of the aggregate surplus represents accumulations of pension funds for the 13 million employees of State and local governments.

Substantial surpluses in the State and local sector are likely to continue in the future. They absorb the incomes of consumers and business, and so act as a drag on the economy.

The second factor affecting the pace at which we can expect to move toward



budget balance is the large deficit in America's foreign trade in goods and services. Imports into the United States have been swollen by the enormous quantity of oil we buy abroad to drive our cars, heat our homes, and fuel our industry. Our exports have grown only slowly, in large measure because economic growth abroad has been much slower than in the United States. As a result, the United States last year recorded a deficit of close to \$18 billion in our current international accounts. This deficit has the same general effect on economic activity as a multibillion dollar increase in taxes.

Enactment of an effective energy program ultimately will reverse our growing dependence on oil imports. Moreover, economic growth in other countries should be improving over the next few years. But we may expect a current account deficit of some size to continue in the near future.

If strong economic expansion is to be maintained in the face of these major drains on the economy, additional tax reductions may be necessary beyond those I have proposed for 1979. But we will be better able to judge this question in a year or two, and we should not prejudge it now.

In formulating my budgetary decisions thus far, I have been careful to avoid commitments that would make it impossible for us to balance the budget by 1981. With unusually strong growth in the private economy, we would need a balanced Federal budget. In an economy growing less strongly, however, balancing the budget by 1981 would be possible only by forgoing tax reductions needed to reach our goal of high employment. In those circumstances, the date for reaching the goal

of budget balance would have to be deferred.

What is important is that the planning and execution of Federal fiscal policies proceed in a prudent manner. Every decision on spending and taxes during my Administration has been, and will continue to be, made in the context of long-run budgetary planning that avoids the creation of excess demand during periods of high employment. That is an essential ingredient of responsible budgetary policy.

#### PROGRAMS TO ATTACK THE PROBLEM OF STRUCTURAL UNEMPLOYMENT

Meaningful job opportunities ought to be available for all Americans who wish to work. But overall fiscal and monetary policy alone will not provide employment to many in our Nation. If we are to reduce unemployment satisfactorily, we must do more.

Eleven percent of adult American workers from minority groups are now jobless—close to the rate a year ago, and over twice as high as the unemployment rate for white adults. About 17 percent of our teenagers are unemployed today; among black teenagers the unemployment rate is nearly 40 percent. These intolerably high rates of unemployment must be brought down. This is an important goal, but achieving it will be a difficult task.

A generally healthy and growing economy is a prerequisite for dealing effectively with structural unemployment, but it is not enough. Even in good times some groups suffer from very high unemployment, which adds to the difficulty of achieving low unemployment and low inflation simultaneously. As the economy moves toward high employment, employers try to fill job vacancies from those groups of workers with substantial train-

ing and experience. Wage rates are bid up and prices follow, while large numbers from other groups are still looking unsuccessfully for work. Efforts to reduce unemployment among the unskilled and otherwise disadvantaged can be frustrated by inflationary pressures set off in those sectors of the labor market already fully employed.

To reach high levels of employment while maintaining reasonable price stability, we must take effective and adequate measures now to increase the employment opportunities of the disadvantaged. This principle is a key element of the Humphrey-Hawkins Bill—The Full Employment and Balanced Growth Act. I support this legislation and hope the Congress will enact it.

We have already taken several significant steps in this direction. Last year I proposed and the Congress appropriated \$8.4 billion to expand the Public Service Employment Program to 725,000 jobs. These jobs are more sharply targeted on the long-term unemployed and the poor than previous programs under the Comprehensive Employment and Training Act. Direct opportunities for youth also have been expanded. The Youth Employment and Demonstration Projects Act of 1977, which is providing job experience and training in skills to unemployed youths, also was proposed by my Administration and enacted in 1977, providing 166,000 work and training positions for unemployed youths.

Several further measures are proposed in my 1979 budget. I have recommended that Public Service Employment be continued at the 725,000 job level throughout 1979, and that the number of jobs be phased down gradually in subsequent years as progress is made in reducing the overall level of unemployment. I have also recommended an expansion to \$1.2

billion of the Youth Employment and Demonstration Projects Act to provide work opportunities and skill training for the unemployed youth who most need help. The Better Jobs and Income Program that I sent to the Congress in mid-1977 will create up to 1.4 million jobs, supplemented by cash allowances, for poor people who are able to work. An initial demonstration project for this program that will create 50,000 jobs is proposed in my 1979 budget, and more jobs will be phased in gradually once the welfare reform program is enacted.

Government programs can provide valuable assistance to the unemployed. In the end, however, we must turn to the private sector for the bulk of permanent job opportunities for the disadvantaged. It is in private industry that most productive jobs with opportunity for advancement are found. For this reason, I am requesting \$400 million in my 1979 budget to begin a major new initiative for private sector hiring of the disadvantaged. Details of this proposal will be submitted to the Congress shortly. I am requesting the fullest cooperation of the business community in this initiative and have been assured by business leaders that it will be forthcoming.

#### GREATER EMPHASIS ON PROMOTING BUSINESS CAPITAL FORMATION

Over a broad expanse of years, improvement of the standard of living in this Nation depends primarily on growth in the productivity of the American work force. During the first two decades of the postwar period, the productivity of American labor increased at an average annual rate of about 3 percent. Over the past ten years, however, productivity growth has slowed markedly—to about 2 percent or less a year.

The reasons for this break with past trends are complex, but one factor that clearly stands out is the relatively slow growth in the stock of business plant and equipment. Historically, improvements in productivity have been linked closely to investment in plant and equipment. Investment in new facilities has embodied new and more productive technology and has provided our work force with more and better tools.

Business investment has lagged during the recovery for several reasons. Some of the fears engendered by the steep recession and severe inflation of 1973–75 have remained and have reduced the incentive for businesses to invest. Uncertainties about energy supplies and energy prices have also been a deterrent to investment, and so have concerns about governmental regulations in a variety of areas. Finally, high costs of capital goods and a depressed stock market have diminished the incentives and raised the costs to businesses of investment in new plant and equipment.

Industrial capacity is ample now. But without a substantial increase in investment over the next few years, problems would build for the future. Rapid growth of capacity is needed to assure that shortages of particular products do not emerge before we regain high employment. If capacity is not sufficient, bottlenecks may develop in some sectors, forcing up prices of industrial commodities. Inadequate rates of capital formation will also hold back the gains in productivity needed to improve standards of living and to avoid further aggravation of our inflation problem.

My tax and other economic proposals will encourage a greater rate of business investment in several ways. By promoting a sustainable rate of economic recovery, they will assure businesses of an expand-

ing market for the output from new factories and equipment. The specific tax reductions for business I have proposed will increase after-tax profits and so directly provide additional incentives for investment.

We must also have conditions in financial markets that permit businesses to raise the funds they need for investment. Prudent Federal budgetary policies will contribute significantly to that end, as will policies that deal effectively with inflation. Both will ease the Federal Reserve's task of pursuing monetary policies that support full recovery.

#### MORE EFFECTIVE PROGRAMS TO REDUCE THE RATE OF INFLATION

We cannot achieve full prosperity unless we deal effectively with inflation. We must take steps to reduce the high rate of inflation inherited from the past and to guard against a renewed outbreak of inflation as we regain a high-employment economy.

Our economy is not suffering at present from excess demand. Monetary growth in recent years has not been excessive, and Federal budget deficits have occurred in an economy with high unemployment and excess capacity. Yet prices continue to rise as a result of an inflationary process that has been under way for a decade.

Our present inflation began back in the late 1960s and accelerated sharply in the early years of the 1970s. Since 1974 the rate of consumer price inflation has declined substantially—from 12 percent to between 6 and 6½ percent at present. But that improvement is due largely to the termination of special influences affecting prices during 1974—the sharp rise of food and fuel prices, and the bulge in prices following the removal of wage and price controls.

Recent experience has demonstrated that the inflation we have inherited from the past cannot be cured by policies that slow growth and keep unemployment high. Since 1975, inflation has persisted stubbornly at a 6 to 6½ percent rate—even though unemployment went as high as 9 percent and still stands above 6 percent, and even though a substantial proportion of our industrial capacity has been idle. The human tragedy and waste of resources associated with policies of slow growth are intolerable, and the impact of such policies on the current inflation is very small. Moreover, by discouraging investment in new capacity, slow growth sows the seeds of future inflationary problems when the economy does return to high employment. Economic stagnation is not the answer to inflation.

Our first task in combating inflation is to guard against a renewed outbreak of higher price increases in the future. Firm discipline over the Federal budget and a prudent monetary policy are the most important steps that can be taken. Programs to attack structural pockets of unemployment among our people will make it possible to achieve higher levels of employment without exerting pressures on prices. Greater investment also will make a major contribution toward assuring that the capacity of our industry will be adequate to meet the needs of a high-employment economy.

Enactment of an energy program will eventually reduce the demand for oil imports—contributing to market conditions that discourage substantial oil price increases, and combating the inflation that results from a decline in the exchange value of the dollar. The programs I have inaugurated to build a 30- to 35-million metric ton grain reserve will provide a buffer against sudden upward movements

in food prices in the event of bad weather.

Our second task—reducing the current rate of inflation—will be harder. Yet we must tackle the problem. Unless the inflation rate is brought down, the rate of price increase may well rise as unemployment falls to lower levels in later years, with consequences that would thwart our efforts to bring about full recovery.

The government has an obligation to set an example for the private sector, and we can play an important role in moderating inflation by reducing the effects of our own actions on prices. By adopting tax incentives and other policies to improve the growth of investment and productivity, we will help reduce the rise in costs and hence in prices.

The excise tax reductions I have proposed in my 1979 budget also will contribute moderately to lower costs and prices.

Government regulations also add to costs and raise prices. To some extent, this is the inevitable cost of much needed improvements in the environment and in the health and safety of workers and consumers. But there is no question that the scope of regulation has become excessive and that too little attention is given to its economic costs. We should not, and will not, give up our efforts to achieve cleaner air and water and a safer workplace. But, wherever possible, the extent of regulation should be reduced. We have eliminated hundreds of unneeded regulations already and will continue to pare down the remainder.

I also intend to put a high priority on minimizing the adverse effects of governmental regulations on the economy. To this end, I have established a high-level interagency committee that—together with the relevant regulatory agency—will

review the economic effects of major regulations. This committee will seek to assure that the costs of each regulation have been fully considered, and that all alternatives have been explored, so that we may find and apply the least costly means of achieving our regulatory objectives. I have also directed my advisers to explore ways in which we can undertake an assessment of the impact of regulation on the economy as a whole and within each major sector. We need to find a way to set priorities among regulatory objectives and understand more fully the combined effects of our regulatory actions on the private economy.

Where regulation of economic activity has become outmoded and substantial overhaul is called for, I will pursue effective legislation. For example, I have supported actively congressional efforts to reform regulation of the airline industry, and I am considering proposals to reform the regulation of other industries.

I have given special attention to reducing the runaway cost of health care. The cost of a day in the hospital has more than doubled since 1970. Continuing escalation in the charges for hospital care can no longer be tolerated. I have submitted legislation, the Hospital Cost Containment Act of 1977, that would limit sharply the rate of growth in hospital spending, and I urge the Congress to enact this legislation in 1978.

The States can also play a role in moderating the current inflation. In 1976, State governments collected \$50 billion in sales taxes. For the most part, these taxes enter directly into the cost of goods we buy and thus increase the price level. Today, State governments with significant surpluses are considering tax reductions. I urge those in a position to do so to consider the advantages to the national

economy of reducing sales taxes, thereby helping to slow inflation.

Government alone cannot unwind the current inflation, however. Today's inflationary process is largely the consequence of self-fulfilling expectations. Businessmen, expecting inflation to continue, are less resistant to cost increases than they might be, since they have come to believe that, with all prices rising, their own increased costs can be passed on to consumers through higher prices. Wage increases are based on the expectation that prices will continue to rise. Wage gains in one sector spur similar demands in others.

There are gainers and losers in this process, since some groups in the economy are more successful than others at defending themselves against inflation. On the whole, however, the main result is continued inflation. No one group—neither business, nor labor, nor government—can stop this spiral on its own. What is needed is a joint effort.

Since the current inflation has developed strong momentum, it cannot be brought to a sudden halt. But we can achieve a gradual but sustained deceleration—having each succeeding year's inflation lower than the previous one. The benefits of slower growth of prices and wages would be broadly shared. Everyone would be better off. A conscious effort should be made by those who make wage and price decisions to take the individual actions necessary to bring about an economy-wide deceleration of inflation.

*I am therefore asking the business community and American workers to participate in a voluntary program to decelerate the rate of price and wage increase.* This program is based on the initial presumption that prices and wages in each industry should rise significantly

less in 1978 than they did on average during the past two years.

I recognize that not all wages and prices can be expected to decelerate at the same pace. For example, where profit margins have been particularly squeezed, or where wages are lagging seriously, deceleration in 1978 would be less than for other firms or groups of workers. In exceptional cases deceleration may not be possible at all. Conversely, firms or groups that have done exceptionally well in the recent past may be expected to do more.

To enhance the prospects for success of this deceleration program, I have asked that major firms and unions respond to requests from members of my Administration to discuss with them on an informal basis steps that can be taken during the coming year to achieve deceleration in their industries. In reviewing the economic situation prior to making my recommendations to the Congress on the size of the pay raise for Federal workers, due to take effect next October, I will keep this objective of deceleration in mind.

This program does not establish a uniform set of numerical standards against which each price or wage action is to be measured. The past inflation has introduced too many distortions into the economy to make that possible or desirable. But it does establish a standard of behavior for each industry for the coming year: every effort should be made to reduce the rate of wage and price increase in 1978 to below the average rate of the past two years.

I have chosen this approach after reviewing extensively all of the available options. There is no guarantee that establishing a voluntary deceleration standard will unwind the current inflation. I believe, however, that with the cooperation of business and labor, this proposal

will work. Deceleration is a feasible standard of behavior, for it seeks restraint in wage and price actions in exchange for a general reduction in inflation. It is also a fair standard. Industries and workers with far different histories and current situations will not be asked to fit within the constraint of a single numerical guideline.

The inflation problem will not be easy to overcome. It will take time and patience. But the importance of these efforts cannot be overestimated. Unless we gain better control over the inflation rate, the prospects for regaining a fully employed economy will be seriously reduced. My Administration cannot and will not pursue policies in the future that threaten to trigger a new and more virulent round of inflation in this country. To do so would be the surest way of destroying the hopes of our citizens for a long-lasting prosperity.

INTERNATIONAL ECONOMIC POLICIES  
THAT PROMOTE ECONOMIC RECOVERY  
THROUGHOUT THE WORLD

Outside the United States, the world economy has seen a hesitant recovery from the deep recession of 1974-75. The rapid pace of economic growth that was widespread over most of the postwar years has all but disappeared. Unemployment is high, and in most industrial countries except the United States it is rising. Inflation is at high levels and declining only very slowly.

The imbalances in the international economic system continue to strain the world economy. Because of the surpluses of oil-exporting countries, many countries have sizable deficits, including the United States. Some industrial nations are also running large and persistent surpluses—thus increasing the pressures on countries

in deficit. These imbalances have been a major factor contributing to disorder in exchange markets in recent months.

The condition of the world economy requires above all that nations work together to develop mutually beneficial solutions to global problems. If we fail to work together, we will lose the gains in living standards arising from the expansion of world commerce over the past three decades. If the world economy becomes a collection of isolated and weak nations, we will all lose.

The first priority in our international economic policy is continued economic recovery throughout the industrial world. Growth of the U.S. economy—the largest and strongest in the world—is of vital importance. The economic program that I have proposed will ensure that America remains a leader and a source of strength in the world economy. It is important that other strong nations join with us to take direct actions to spur demand within their own economies. World recovery cannot proceed if nations rely upon exports as the principal source of economic expansion.

At the same time all countries must continue the battle against inflation. This will require prudent fiscal and monetary policies. Such policies must be supplemented by steps to reduce structural unemployment, measures to avoid bottlenecks by encouraging investment, and cooperation in the accumulation of commodity reserves to insulate the world from unforeseen shocks.

Reducing the widespread imbalances in international payments will require several parallel steps. To begin with, each individual country must ensure that its own policies help relieve the strains. The United States will do its part. In 1977 we had a current account deficit of about

\$18 billion. While not a cause for alarm, this is a matter of concern. We can take a most constructive step toward correcting this deficit by moving quickly to enact the National Energy Plan.

Countries in surplus should also do their part. Balance of payments surpluses in some countries have contributed to the economic stagnation among their trading partners. Where their own economies have slack, it is appropriate for nations in surplus to stimulate the growth of domestic demand—thereby increasing their imports and improving the prospects for growth in deficit countries. In some countries, lifting restraints on imports from abroad and reducing excessive government efforts to promote exports would be useful. After consultations with the United States, the Japanese have indicated they will take a series of steps toward reducing their large surplus.

The system of flexible exchange rates for currencies also can be helpful in correcting unsustainable imbalances in payments among countries. Since its inception in 1973, this system has operated well under unprecedented strains.

During 1977 the U.S. dollar has fallen in value against several key currencies. The decline in the dollar's value has occurred primarily against the currencies of those nations that have large trade and payments surpluses, and was not surprising in view of our large payments deficit and their surpluses. Late in 1977, however, movements in our exchange rate became both disorderly and excessively rapid. The United States reaffirmed its intention to step in when conditions in exchange markets become disorderly and to work in close cooperation with our friends abroad in this effort.

Under the flexible exchange rate system basic economic forces must continue

to be the fundamental determinant of the value of currencies. However, we will not permit speculative activities in currency markets to disrupt our economy or those of our trading partners. We recognize fully our obligation in this regard, and we have taken steps to fulfill it.

Although substantial progress can be made toward a balanced world economy, some imbalances will persist for a substantial period of time. Financing requirements will remain large while adjustments occur. The private markets can and will continue to channel the bulk of the financing from surplus to deficit countries. But it is essential that adequate official financing also be available, in case of need, to encourage countries with severe payments problems to adopt orderly and responsible corrective measures. To meet this critical need the United States has strongly supported a proposal to strengthen the International Monetary Fund by the establishment of a new Supplementary Financing Facility.

The United States also will continue to contribute resources to promote growth in the economies of the developing nations. International assistance efforts—through bilateral aid and multilateral institutions—must continue to expand. We must also keep our doors open to imports from developing countries, so that their economies can grow and prosper through expanded trade.

A keystone of our international economic policy is to work with our trading partners to protect a free and open trading system. The American economy benefits by exporting those products that we make efficiently, and by importing those that we produce least efficiently. An open trading system increases our real incomes, strengthens competition in our markets, and contributes to combating inflation.

The United States will firmly resist the demands for protection that inevitably develop when the world economy suffers from high unemployment. The ensuing decline in world trade would worsen our problem of inflation, create inefficiencies in American enterprise, and lead to fewer jobs for American workers. But international competition must be fair. We have already taken and we will, when necessary, continue to take steps to ensure that our businesses and workers do not suffer from unfair trade practices.

I place great importance on the Multilateral Trade Negotiations now under way in Geneva. I believe our negotiators will bring home agreements that are fair and balanced and that will benefit our economy immensely over the years to come. The importance of these discussions can hardly be overemphasized. The trading system that emerges from the negotiations will set the tone for international commerce well into the 1980s. Our commitment to a successful conclusion to these talks underscores our long-term emphasis on the retention and expansion of open and fair trade among nations.

#### THE CHALLENGE BEFORE US

In this message I have outlined my fundamental economic goals and the strategy for attaining them. It is an ambitious, but I believe a realistic, agenda for the future. It calls for a broad range of actions to improve the health and fairness of the American economy. And it calls upon the American people to participate actively in many of these efforts.

I ask the Congress and the American people to join with me in a sustained effort to achieve a lasting prosperity. We all share the same fundamental goals. We can work together to reach them.

JIMMY CARTER

January 20, 1978.



## Sugar, Sirups, and Molasses Imports

*Statement on Signing Proclamation 4547.  
January 20, 1978*

On the recommendation of Secretary of Agriculture Bob Bergland, and in consultation with other Federal agencies, I am announcing the following actions:

—Effective January 21, 1978, all imported sugar will be subject to fixed fees of 2.7 cents per pound for raw sugar and 3.22 cents per pound for refined sugar, not to exceed 50 percent of the value of imported sugar.

—Directions have been given to the International Trade Commission to expand its investigation in imported sugar to determine whether sugar-containing products are being or will be imported in quantities and under conditions that will result in national interference to the sugar price support operations being conducted by the Department of Agriculture. I have asked that their report be completed as soon as possible and be accompanied by specific recommendations for corrective actions.

My decisions today address critical problems that have arisen since the issuance of my November 11 proclamation:

—Our price objectives for imported sugar are protected. Our objective on imported refined sugar is 4.0 cents a pound above the imported raw sugar price objective, an amount equal to the refining loss and refining costs.

—Current and prospective market conditions indicate that had we continued the system of variable fees, imported refined sugar would not be subject to import fees, and there would be strong incentives to import sugar in refined, rather than raw form. Refined sugar has been entering the United States at an unprecedented rate.

—Because I have instructed the International Trade Commission to conduct an investigation and report to me their recommendations, the fixed fees that I have announced are being implemented in a temporary program under emergency authorities.

—The fixed fee system eases the administrative burden, reduces the potential for price manipulation, and is familiar to the trade.

—If I find, based on the new fixed fee system, that efforts continue to be made to take advantage of the system, I will not hesitate to take even more stringent actions. The dumping of imported sugar on our domestic market will not be tolerated.

## Sugar, Sirups, and Molasses Imports

*Proclamation 4547. January 20, 1978*

### IMPORT FEES ON SUGAR, SIRUPS, AND MOLASSES

*By the President of the United States  
of America*

#### A Proclamation

By Proclamation No. 4538 of November 11, 1977, I imposed import fees on certain sugars, sirups, and molasses. I also requested the United States International Trade Commission to make an immediate investigation with respect to this matter pursuant to section 22 of the Agricultural Adjustment Act, as amended (7 U.S.C. 624), and to report its findings and recommendations to me as soon as possible.

The Secretary of Agriculture has since informed me that the fees established by Proclamation No. 4538 are insufficient.

He has again advised me that he has reason to believe that sugars, sirups, and molasses, derived from sugar cane or sugar beets, classified under items 155.20 and 155.30, of the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202), hereinafter referred to as "sugars", are being, or are practically certain to be, imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or to materially interfere with the price support operations now being conducted by the Department of Agriculture for sugar cane and sugar beets, or to reduce substantially the amount of any product being processed in the United States from such domestic sugar beets and sugar cane. The Secretary of Agriculture has reaffirmed his determination that the condition requires emergency treatment.

I agree there is reason for these beliefs and I find and declare that:

(a) Sugars, described below by use and physical description, are being imported, or are practically certain to be imported, into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the price support operations being conducted by the Department of Agriculture for sugar cane and sugar beets, or reduce substantially the amount of any product processed in the United States from domestic sugar beets or sugar cane;

(b) A condition exists which requires the immediate imposition of the import fees hereinafter set forth, without awaiting the report and recommendations of the United States International Trade Commission.

(c) The imposition of the import fees hereinafter proclaimed is necessary in order that the entry, or withdrawal from

warehouse, for consumption of such sugars will not render or tend to render ineffective, or materially interfere with, the price support operations being conducted by the Department of Agriculture for sugar beets and sugar cane, or reduce substantially the amount of products processed in the United States from such domestic sugar beets or sugar cane.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, acting under the authority vested in me by the Constitution and Statutes of the United States of America, including section 22 of the Agricultural Adjustment Act, as amended, do hereby proclaim that Part 3 of the Appendix to the TSUS is amended as follows:

1. Headnote 4 is amended to read as follows:

4. Sugar, sirups, and molasses

(a) Licenses may be issued by the Secretary of Agriculture or his designee authorizing the entry of articles exempt from the fees provided for in items 956.05, 956.15, and 957.15 of this part on the condition that such articles will be used only for the production (other than by distillation) of polyhydric alcohols, except polyhydric alcohols for use as a substitute for sugar in human food consumption. Such licenses shall be issued under regulations of the Secretary of Agriculture which he determines are necessary to insure the use of such articles only for such purposes.

(b) "Not to be further refined or improved in quality" as used in item 956.05 means not to be further refined or improved in quality by being subjected substantially to the processes of (1) affination or defecation, (2) clarification, or (3) further purification by absorption or crystallization.

2. Items 956.10, 956.20, 957.10, and 957.20 are deleted.

3. The following new items, in numerical sequence, are added following item 955.06:

Item	Articles	Rates of Duty (Section 22 Fees)
	Sugars, sirups, and molasses, derived from sugar cane or sugar beets, except those entered pursuant to a license issued by the Secretary of Agriculture in accordance with headnote 4(a):	
	Principally of crystalline structure or in dry amorphous form, provided for in item 155.20, part 10A, schedule 1:	
956. 05 . . . .	Not to be further refined or improved in quality . .	3.22¢ per lb., but not in excess of 50% ad val.
956. 15 . . . .	To be further refined or improved in quality . . . .	2.70¢ per lb., but not in excess of 50% ad val.
957. 15 . . . .	Not principally of crystalline structure and not in dry amorphous form, containing soluble non-sugar solids (excluding any foreign substance that may have been added or developed in the product) equal to 6% or less by weight of the total soluble solids, provided for in item 155.30, part 10A, schedule 1 . . . . .	3.22¢ per lb. of total sugars, but not in excess of 50% ad val.

With the following exceptions, this proclamation applies to articles entered, or withdrawn from warehouse, for consumption after 12:01 a.m. (Eastern Standard Time) on the day following its issuance. One exception shall be for the sugars of Malawian origin which entered the United States before February 15, 1978, pursuant to contracts for delivery to the United States entered into before November 11, 1977. Further, if it is established to the satisfaction of the Commissioner of Customs that articles subject to proclamations 4538 and 4539 exported to the United States before November 11, 1977, or imported to fulfill forward contracts for delivery to the United States entered into before November 11, 1977, could have been, but were not, entered for consumption on or before January 1, 1978, as a result of the delay in transportation to a point within the limits of a Customs port of entry of the United States because of windstorm, fog, or similar stress of weather, the provisions of proclamations

4538 and 4539 shall not apply to the articles even though they are entered for consumption after January 1, 1978 nor shall the provisions of this proclamation be applicable to them. The proclamation shall continue to apply until I have acted on the Report of the United States International Trade Commission.

IN WITNESS WHEREOF, I have hereunto set my hand this twentieth day of January, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
5:11 p.m., January 20, 1978]

## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of

general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

*January 16*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Senator Howard H. Baker, Jr., of Tennessee;
- the Cabinet;
- Attorney General Griffin B. Bell.

*January 17*

The President met at the White House with:

- Dr. Brzezinski;
- Thomas P. O'Neill, Jr., Speaker of the House of Representatives;
- members of the Democratic Caucus of the 94th and 95th Congresses;
- Secretary of Defense Harold Brown, Adm. Stansfield Turner, Director of Central Intelligence, and Dr. Brzezinski;
- Representative Morris K. Udall of Arizona;
- Representative Al Ullman of Oregon;
- Senator Howard W. Cannon of Nevada;
- members of the House Democratic Steering and Policy Committee.

*January 18*

The President met at the White House with:

- Dr. Brzezinski;
- Representative Joe D. Waggoner of Louisiana;
- Representative David R. Obey of Wisconsin;

- Senator William Proxmire of Wisconsin;
- members of the Board of Trustees of the Council of the Americas and Ambassador Ellsworth Bunker, to discuss the Panama Canal treaties;
- Secretary Brown;
- a group of consumer leaders.

In a ceremony in the Oval Office, the President received diplomatic credentials from Ambassadors Roberto Quinonez Meza of El Salvador and Jorge Lamport Rodil of Guatemala.

At a news conference at the White House, representatives of the 1977 Inaugural Committee announced a surplus of more than \$800,000, and the creation of a perpetual trust to finance public events in future Inaugurations.

The White House announced that the President telephoned President Anwar al-Sadat of Egypt to discuss the Middle East negotiations.

*January 19*

The President met at the White House with:

- Dr. Brzezinski;
- Representative Richard Bolling of Missouri;
- Senator Russell B. Long of Louisiana;
- Representative John J. Rhodes of Arizona;
- Mrs. Carter, for lunch.

At a news conference at the White House, Attorney General Griffin B. Bell announced the President's intention to nominate William H. Webster, of St. Louis, Mo., United States Circuit Judge for the Eighth Circuit, to be Director of the Federal Bureau of Investigation.

Following his State of the Union address, the President attended a White House reception for a group of supporters from Iowa.

*January 20*

The President met at the White House with:

- Dr. Brzezinski;
- Senator Frank Church of Idaho;
- Thomas J. Watson, Jr., chairman of the executive committee of IBM Corp.;
- members of the President's Commission on White House Fellowships.

The President declared an emergency for the State of Arkansas because of the impact of tornadoes which struck Cross, St. Francis, and Woodruff Counties on January 7.

The President left the White House for a weekend trip to Georgia.

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**NOMINATIONS SUBMITTED  
TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

**Submitted January 20, 1978**

ARTHUR T. TIENKEN, of Virginia, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Gabonese Republic, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of Sao Tome and Principe.

WILLIAM E. SCHAUFEE, JR., of Ohio, a Foreign Service officer of the Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Poland.

RICHARD J. BLOOMFIELD, of Connecticut, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Portugal.

ROBERT W. BUCHHEIM, of the District of Columbia, for the rank of Ambassador during the tenure of his service as the United States Commissioner on the United States-Soviet Standing Consultative Commission.

**NOMINATIONS—Continued**

**Submitted January 20—Continued**

ALMERIC L. CHRISTIAN, of the Virgin Islands, to be a Judge of the District Court of the Virgin Islands for a term of 8 years (reappointment).

JACK E. TANNER, of Washington, to be United States District Judge for the Eastern and Western Districts of Washington, vice William N. Goodwin, deceased.

JOHN P. VOLZ, of Louisiana, to be United States Attorney for the Eastern District of Louisiana for the term of 4 years, vice Gerald J. Gallinghouse.

DAVID T. WOOD, of Guam, presently United States Attorney for the District of Guam, to be also United States Attorney for the District of the Northern Mariana Islands for a term expiring November 2, 1981 (new position, Public Law 95-157).

JUAN G. BLAS, of Guam, presently United States Marshal for the District of Guam, to be also United States Marshal for the District of the Northern Mariana Islands for a term expiring September 14, 1981 (new position, Public Law 95-157).

The following-named persons to be members of the National Council on Educational Research for terms expiring September 30, 1980:

HAROLD HOWE II, of New York, vice Arthur M. Lee, term expired.

FREDERICK HENRY SCHULTZ, of Florida, vice James Gardner March, term expired.

R. DAVID PITTLE, of Maryland, to be a Commissioner of the Consumer Product Safety Commission for the remainder of the term expiring October 26, 1982, vice Thaddeus A. Garrett, Jr.

The following-named persons to be Commissioners of the Consumer Product Safety Commission for the terms indicated:

EDITH BARKSDALE SLOAN, of the District of Columbia, for a term of 7 years from October 27, 1976, vice Lawrence M. Kushner, term expired.

SUSAN BENNETT KING, of the District of Columbia, for a term of 7 years from October 27, 1977, vice R. David Pittle, term expired.

JAMES T. MCINTYRE, JR., of Georgia, to be Director of the Office of Management and Budget, vice Thomas Bertram Lance, resigned.

**NOMINATIONS—Continued**

**Submitted January 20—Continued**

FRANK C. CARLUCCI, of Pennsylvania, to be Deputy Director of Central Intelligence, vice E. Henry Knoche, resigned.

H. K. ALLEN, of Texas, to be First Vice President of the Export-Import Bank of the United States, vice Delio E. Gianturco.

The following-named persons to be members of the National Commission on Employment and Unemployment Statistics: (new positions)

BERNARD E. ANDERSON, of Pennsylvania

GLEN G. CAIN, of Wisconsin

JACK CARLSON, of Maryland

MICHAEL HAROLD MOSKOW, of Illinois

RUDOLPH ALPHONSUS OSWALD, of Maryland

SAMUEL L. POPKIN, of California

MITCHELL SVIRIDOFF, of New York

JOAN LAWSON WILLS, of Virginia

HUGH F. OWENS, of the District of Columbia, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1979 (reappointment).

WILLIAM H. WEBSTER, of Missouri, to be Director of the Federal Bureau of Investigation for the term of 10 years, vice Clarence Marion Kelley, resigning.

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**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**CHECKLIST—Continued**

**Released January 15, 1978**

Advance text: remarks at memorial services at the Capitol for Senator Hubert H. Humphrey

**Released January 17, 1978**

Question-and-answer session: with reporters concerning David Marston, U.S. attorney from Philadelphia—by Jody Powell, Press Secretary to the President

**Released January 19, 1978**

Announcement: nomination of David T. Wood to be United States Attorney for the District of the Northern Mariana Islands

Announcement: nomination of Juan G. Blas to be United States Marshal for the District of the Northern Mariana Islands

News conference: on the President's nomination of William H. Webster to be Director of the Federal Bureau of Investigation—by Attorney General Griffin B. Bell

Announcement: nomination of Jack E. Tanner to be United States District Judge for the Eastern and Western Districts of Washington

Advance text: State of the Union address

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**ACTS APPROVED BY  
THE PRESIDENT**

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.

**Editor's Note**

***Note Concerning the Closing Time of This Issue***

The President left the White House on Friday afternoon, January 20, for a trip to Georgia. Releases issued on the trip will be printed next week.

# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, January 27, 1978

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## Middle East Negotiations

*Question-and-Answer Session With Reporters  
on Board Air Force One en Route to Georgia.  
January 20, 1978*

REPORTER. You know what we're all interested in is whether President Sadat is going to come to Washington in the near future to confer with you.

THE PRESIDENT. I don't know. We've not made any plans about it, and there have been no discussions with him about it.

Q. There was some talk over there that he would like to do this, or he thinks it might be helpful.

THE PRESIDENT. Well, I've seen in the news that he has proposed this as a possibility for the future. And I notice that Prime Minister Begin has also said that it would be a possibility for the future. But I don't know of any discussions that there have been between either those two nor with me.

Q. How serious is this apparent setback in that progress toward negotiations?

THE PRESIDENT. Well, I'm afraid it's very serious. Secretary Vance has spent hours the last 2 days both with Prime Minister Begin and with President Sadat. They are planning to go ahead with the military talks, and we hope that there won't be anything other than a brief interruption in the political talks.

We are acting as an intermediary the best we can, trying to convince both sides of the other's good intentions, and hope that we can succeed. It's been a relief to us the last number of weeks to have those two nations negotiating directly.

Secretary Vance, who's been involved in some very difficult discussions in the past with Vietnam and in the Cyprus question, in years gone by, says this is a normal procedure when adversaries first begin to discuss specifics with one another. It's one major step just to agree to talk at all. But in the aftermath of the good will following the personal acquaintance and introduction, to start discussing ancient differences is always a letdown and a disappointment. But he's encouraged. He's not discouraged. And we're determined to carry out our own schedule.

Secretary Vance will be back in Washington this weekend, and I will talk to him directly. We have had two or three communications from him daily. So, it's a temporary setback. It has been and can be serious, but we have hopes that we'll see it all straightened out and that political and military talks recommence.

Q. What kind of sense did you get from Mr. Sadat when you spoke with him? Did he seem discouraged?

THE PRESIDENT. Yes, he seemed discouraged and, I'd say, deeply concerned. My request to him was to leave his

negotiators in Jerusalem and not withdraw them that day. He said that his decision could not be reversed then. So, we shifted our conversation to the prospect of keeping open the invitation for the military negotiators to meet, and he agreed that that should continue. But he was quite concerned.

Q. He almost sounded like he was continuing the military portion almost as a favor to you.

THE PRESIDENT. Well, I don't think it was that. I don't think my role was that significant. But my belief is that both Prime Minister Begin and President Sadat have a standard political problem—one is that they have large constituencies on their own side whom they have to represent, and at the same time, they are trying to lead those constituencies toward a reconciliation.

I'm sure there is some strategic and tactical component of what their speeches have been. I believe that at least up until this moment, they both trust us to act in good faith, and that's what we are trying to do. The more responsibility they take on themselves to negotiate directly, though, the better the prospects are for a rapid agreement.

Q. What is the next step now? Assuming the military talks do commence tomorrow, I believe, what is the next step to get those political talks going again?

THE PRESIDENT. I don't know. I think a lot of it will depend upon President Sadat's speech to his own Parliament tomorrow. I don't know what he will say. Obviously, one of the great things that brought the leaders together was a direct appeal through the news media to millions of people, to the world, indeed.

I think one of the obstacles now in progress is that overinclination to negotiate through the news media, because these matters in which we've been involved as an administration for a full year are very

sensitive, very sharply defined, and they are much better worked out privately, where there can be a discussion of a word or a nuance or a phrase or an idea among negotiators without arousing the sharp feelings of millions of people, and where they can be resolved and substitute words or phrases or ideas can be initiated. That's very difficult to do in a public forum through the news media.

So, we hope to get, all of us, reconciled to the fact that the negotiators should deal with these items, recognize that there will be public statements that tend to aggravate and exacerbate the situation, but that that ought not to be a call or a reason for the negotiators to stop their work.

It's going to be a tedious process, and I'm sure we'll have ups and downs in the future.

Q. You know, in that connection, what you just mentioned, there's a theory that President Sadat did this, this dramatic move, trying to get you to put pressure on Israel to make more concessions.

THE PRESIDENT. I don't agree with that. In my own private communications with President Sadat, both through diplomatic dispatch and the telephone, my assessment is that he has been quite sincere in what he's done, that it's not posturing and not designed to influence our action one way or the other.

My guess is that President Sadat knows quite well that our influence on Israel is limited, and I think that Prime Minister Begin knows quite well that our influence on President Sadat and the Egyptians is quite limited.

But we are always there to assuage ill feelings and to offer substitute wording and, when the talks and discussions stagnate, to try to add some momentum to them; when they have a momentum of their own, for us to withdraw and play a lesser role.



What is now publicly identified as a very difficult negotiating process has been apparent to us as difficult for a long time, and not just in this administration but in the previous one as well. But I think the prospect for peace now, compared to what it was a year ago, is very good.

Q. How much money are you going to raise tonight?

THE PRESIDENT. I don't know. They feel good about it in Georgia. All the States around, plus Puerto Rico, are healthy. I think later we'll have a fundraiser in Texas, right?

Strauss has told me that whatever we raise in Georgia, they're going to double it in Texas. So, we hope to set a good base for him to meet.

MR. STRAUSS. He's setting goals for the administration now. [*Laughter*]

NOTE: The question-and-answer session was held during the flight from Andrews Air Force Base, Md., to Dobbins Air Force Base, Ga.

Ambassador Robert S. Strauss is Special Representative for Trade Negotiations and a former chairman of the Democratic National Committee.

## Dobbins Air Force Base, Georgia

*Question-and-Answer Session With Reporters on Arrival. January 20, 1978*

THE PRESIDENT. [*Inaudible*—with President Sadat. Well, we're trying to keep both the military and the political talks going on there.

Q. Mr. President, how do you apprise the reaction of Congress to your State of the Union address?

THE PRESIDENT. It was surprisingly good. The last speech I made to them was not one that aroused any applause at all. It was devoted entirely to energy. But I thought that the response last night was excellent.

Q. When are you going to get around to actually working out the difficulty with the Dallas-London route and putting your signature on the transatlantic route—[*inaudible*]?

THE PRESIDENT. Well, that was not a difficult decision for me. My own inclination is, wherever possible, to encourage competition both in the international routes and also in the domestic routes. And I hope that the domestic carriers that have benefited from the flights overseas would be just as eager to have competition here on the domestic routes.

Q. Can we get a commitment from you to come to Atlanta to play a softball game with the media this summer—[*laughter*—when it's warmer.

THE PRESIDENT. I don't know. I hope I get a chance to come back to Georgia this summer.

Q. Mr. President, some of the big city mayors were unhappy, and they expressed that unhappiness with the fact that you did not mention more help for the cities in your State of the Union address. What do you say to that?

THE PRESIDENT. Well, almost every item that's in the domestic budget is directly helpful to the major cities. We proposed hundreds of millions of dollars for basic education, for training programs, for public service jobs, for transportation, for housing, for crime control.

These moneys go into the urban centers, sometimes in much larger quantities than they do in other parts of the country, because the problems there are greater. And the fact that we don't have a special allotment of funds just for large cities is to be expected, and it certainly is no cause for concern by them.

I think the budget that I've put forward now—and our urban policy report that will be coming forward in March—will be very adequate for the cities, including Atlanta.

REPORTER. Thank you, Mr. President. Thank you very much.

THE PRESIDENT. It's good to see all of you. It's nice to be home. I think this is the first time I've been to Atlanta since I was President.

REPORTER. Welcome back.

THE PRESIDENT. Thank you.

NOTE: The question-and-answer session began at 4:15 p.m.

## Atlanta, Georgia

**Remarks at a Reception for Georgia Campaign Volunteers. January 20, 1978**

THE PRESIDENT. Rosalynn and I just ate supper in what Omni International calls the Carter Suite. *[Laughter]* It's the first thing that was ever named after us, you know, except maybe bank mortgages, and so forth. And they've got a plaque up, it's just as you go in, a big brass plaque about this big, and it said that "Jimmy and Rosalynn Carter and their family, sitting in this suite on November 3, 1976, learned that he was elected President of the United States." And as I read that plaque and looked around the room, I remembered the long evening and the fearful wait. And I thought about a lot of things. But at the top of my list of thoughts were you, 900, maybe 1,000 volunteers who came here to our headquarters in Atlanta months and months and months ahead of the time when the rest of the Nation knew who I was or cared or thought that I might possibly be President, and you worked for me.

You didn't get paid for it. A lot of you worked all day long, 5 or 6 days a week, because you had confidence in me and because you wanted to see a better nation and you wanted to see the South and the country become one.

I thank you for it. I hope so far we haven't disappointed you. And I pledge that I'll try not to ever do it.

I think it showed a lot of things. I won't go into all of them tonight because I don't want to make another long speech, but—*[laughter]*—but one of the things that I know it indicated was that there's a place in our free America for voluntary service, where you don't get paid in money and quite often you don't get paid in recognition even, but you get paid in the satisfaction of having participated in making decisions for the future of the greatest country on Earth. And it also indicates that one person can make a difference.

It's a very difficult thing to leave Plains, Georgia, 3 years ago—3 years ago today—and to work for a whole year, with your help, to enter the Iowa caucuses 2 years ago yesterday, to be inaugurated President 1 year ago today, to realize that when all of that occurred, when all of it began, you were there.

There were people in our headquarters and here tonight who were 9, 10, 11, 12 years old. There were people who had full-time jobs, professionals who, after working hours, came down and contributed their time and their knowledge and their experience and their thoughts for the future.

There were college students who came over from Georgia Tech and Georgia State and from Atlanta University complex, from Oglethorpe, to help us plan for the future. There were housewives who had families to care for, and there were retired people, men and women who were 65 or 75 or even 80 years old. And that kind of a conglomerate group of Georgians made the difference between whether I won or whether I lost. And I'm thankful to you that you were there,

and the difference was that I won. Thank you very much.

I see one or two faces in the crowd who were down in Plains in 1966 and 1970 when I began to run for Governor. And I want to thank you in a special way and let you know that we're partners in everything I do every day. And I want you to stay close to me, because I need all the help and all the advice, all the counsel, all the criticism, all the prayers that I can get.

You'd be amazed at how many times we stand in a receiving line at the White House or go down a crowd of people at an airport or when I walked across the front of this room tonight, and people say, "We pray for you" or "Every month, our church has a special prayer service for you." And I say, "Look, make it every week"—[laughter]—"or every day because I really need it."

I feel at ease with the job that I have. I don't claim to know all the answers. I'm not any better qualified than many of you. But I sense that as President, as I did 2 or 3 years ago, I still have you behind me. And that makes the job easy for me. Thank you very much.

I had another supporter, as you know, way back then who traveled around the country for me. Mother kept Amy. But I want to let Rosalynn say just a word, if you don't mind.

MRS. CARTER. I just want to thank you for all you've done for tonight to get ready for this big banquet, for what you've done for us over the past year and before that in the campaign. It means so much to us. I know when we were campaigning, we always were very confident because we knew we had you at home and we knew that no matter where we were in the whole country, that you supported us. We feel that same way.

Jimmy's doing, I think, a great job for the country. There's so much that needs

to be done. And I'm working and Jimmy's working, but we always know that you're here and that you care for us and that you support us. I just want to say that we need your continuing support, we need your continuing prayers and we love you all.

Thank you.

THE PRESIDENT. How many of you think we have a great country? How many of you are going to join with me and Rosalynn and the rest of us to make it even greater? [Applause]

Well, thank you again. The only thing that I feel kind of strange about is me being way up here and you being way out there. It's not the way I ran my campaign, and that's the thing that I don't like about it. But I love every one of you.

Thank you very much. God bless you all.

NOTE: The President spoke at 8:07 p.m. in Room 300 at the Georgia World Congress Center.

## Atlanta, Georgia

*Remarks at the Southern Salute to the President Dinner. January 20, 1978*

It's a wonderful thing in the South to get almost as much applause as Bert Lance, and I thank you for it. [Laughter]

It's really nice to be back down here at home where I don't need an interpreter. A lot of people say that I had a hard time with an interpreter in Poland. But where I really have a hard time is in Washington, trying to get my message out to the people and explain what we're trying to do with the Federal Government. It got so bad this Christmas that when Amy and I sent our letters to Santa Claus, I got the dollhouse and she got a chain saw. [Laughter]

I never have quite made the transition from Plains to Washington successfully.

And when I've asked for advice around our Capital City, I've always heard back, "Well, you need to go to more Washington cocktail parties." I've tried to accommodate that recommendation and do the best I could. I can't go to all the Embassy parties. I just don't have time. So, I decided to send Hamilton Jordan. [*Laughter*]

Later on, I was told that the best way to deal with Congress to get your programs passed was to go to the cocktail parties, and Jody Powell went. And he tried to sell all 4-year programs in one night. It took him a week to get over it. [*Laughter*] Later, we have thought about converting some of the key Members of Congress to get our energy bill passed. My sister Ruth is planning on going to see Russell Long very shortly, maybe get an energy bill. [*Laughter*]

The only one that's really been completely successful so far has been Bert Lance. He's come out of Washington a hero. He's the only one in the Carter administration that's paid off all his debts. [*Laughter*] He's made more friends in the last 3 or 4 months than anybody I know. He's just embarked, or is embarking on a new career in television. There's a lot of openings at the top since Walter Cronkite became Acting Secretary of State. [*Laughter*]

And I know that all of you agree with me that tonight Joel and Wallace, Ken Curtis, Bert Lance have done an outstanding job in one of the greatest Democratic fundraisers in the history of our country. And I want all of us to express our thanks to them. We're proud of them.

How many of you heard the State of the Union speech last night, anybody? It was 45 minutes long, and I said all I wanted to say last night. So, I'm going to be very brief this evening, but there are a few things that I want to say.

This is the first time I've been back to Atlanta since Inauguration Day, a year ago tonight. And as I mentioned last evening, 2 years ago yesterday, we had the first Democratic caucus in Iowa. But long before that, many of you here in Georgia, and in Alabama and Mississippi and Florida and Tennessee and South Carolina, North Carolina, Kentucky, had confidence in me and gave me your support. And, of course, there's one region of the country, even though I am President of the whole Nation, that will always be close to my heart, and that's the South.

Tonight, with this banquet, I thought about the fact that we didn't have to join the Democratic Party when I was young. We were born into it. It became part of our life, part of our consciousness.

We grew up on a farm during the depression years. And we struggled from a time of hopelessness and despair and poverty, sometimes even hunger, with a sense that the future could be greater.

We had a President, Franklin Roosevelt, and we had memories and a history of the past with the fathers of our country, Thomas Jefferson, Andrew Jackson, and others, who had always had faith in common, ordinary, honest, hard-working American people. They trusted the judgment of those who are not powerful and influential, who sometimes are not wealthy or even well-educated, who do have a deep sense of what our Nation has been, is, and can be, a deep religious faith, a belief that the family, if it's tight-knit and filled with love, is the best source of inspiration, education, and preparation for an adult life. We learned what it meant to struggle and to obtain a good education.

And this region of the country has always been highly patriotic, maybe because our families, our ancestors remember the devastation of the War Between

the States, when Atlanta itself was destroyed, and the values that we reobtained when our Nation was united, but we've always been committed to the strong defense of our country. We've always been a people who could see and who had a deep desire to see the product of each day's work.

I had a good life as a young boy on a farm, but I remember a sense of accomplishment and pride and inspiration for the future each day after I worked in the field with my father and others, to look back and see how many rows had been plowed, how much land had been broken, how much corn had been pulled, how much cotton had been picked. And there was a tangible measure of work well done in preparation for the future, when the wood box was filled with stove wood that my mother could burn the next day and when the water bucket was pumped full from a hand pump.

These kinds of things were specific assignments of responsibility. And it was a sense of community and common purpose and harmony and a sense of fulfillment and a sense that we were contributing in our own small way, but an identifiable way, to the welfare of our family, our community, and indeed, sometimes even the Nation itself.

That's the kind of spirit that's not too far in the past to be forgotten. Those kinds of commitments, those kinds of experiences, those kinds of hopes, those kinds of dreams, those kinds of accomplishments are the standards by which the strength of America can be preserved in our own individual lives.

All of us don't have to be rich. All of us don't have to hold political office. All of us don't have to be influential or well-known. But none of us who hold public office, who are influential, who are well-known can accomplish the ideals and the

potentials of our Nation unless we work in harmony. And when there's a separation between government and people, between the rich and the poor, between blacks and whites, between the North and the South, between new cities and old cities, our Nation suffers. And we who have seen the devastation of war and the social and psychological devastation of racial segregation know the value of harmony, of family, and of a common purpose.

This month was a month when two great men of the South were born. One of them, Martin Luther King, Jr., who was not welcomed by most of us when he began with his lonely voice to point out the potentials of the South and the damage that was accruing to both blacks and whites by racial discrimination. But he had courage. And he gave his life that the South and the people he loved, both black and white, might reach our full potential. And as I said dozens of times in my 2 years of campaigning, there would have been absolutely no chance for me, a southerner, to ever think of becoming President of the United States had it not been for him and what he stood for and what he accomplished.

He saw that in a 30-year period the greatest thing that the South lost was our young people. Three million young whites left the South. Five million young blacks left the South. And now they are coming back home, because the stable, God-given resources of our Nation were waiting for them. And to utilize those resources, there is a united people, bound together by a sense of equality and common purpose and mutual respect, compassion, and even love.

And the other person who was born in January was a great leader, Robert E. Lee. Robert E. Lee was a man who understood the values of a region which he rep-

resented. He was never filled with hatred. He never felt a sense of superiority. He led the southern cause with pride, yes, but with a sense of reluctance as well. He fought his battles courageously. And he said on one occasion that the word that was the most sublime in the English language was "duty"—duty to our country, duty to our region, duty to our neighbors, duty to the high standards spoken to us by God.

Well, my heart really overflows when I think about the responsibilities that you have helped me to assume and the confidence you had in me and what you mean to me as neighbors, as advisers, as counselors, and as friends. It means a lot to me to come back here at home where I served this State for 4 years as Governor and 4 years in the legislature, 7 years on a county school board and 5 years on the hospital authority, and 3 years on the library board. And my roots are still the same as they were.

We learned from the Bible about the fallibilities even of people who were given great responsibility. I remember the story of the escape of the Israelites from Egypt, when Moses was a man anointed by God to lead. And when the Israelites were in a battle, God told Moses, "Hold up your arm." And as long as Moses held up his arms, the Israelites won. But after an hour or two or three, his arm got weary and it began to sink, and the Israelites began to lose. And his brother, Aaron, went and propped up his arm for a while. And later on Hur propped up Moses' arm for a while, and the Israelites won.

Well, I don't under any circumstances equate myself with Moses. But I would like to remind you of this: You elected me to be President. You gave me a job to do. As long as I'm in the White House, I'm going to try to do a good job, because you have confidence in me.

I'm not afraid of the responsibility. I'm not afraid of the past, the present, or the future. I'll do the best I can. Together we'll tackle the tough problems. But I'm depending on you that if my arm gets heavy and it starts to sag, I'm going to depend on you to help me prop it up.

And I believe that together, you and I, southerners, Americans, even people here from all over the world who have come to pay their own respects to the greatest nation on Earth, I believe that together we can realize the potential that's on our shoulders, to show that those ideals that we cherished as young people on the farms and in the cities can overcome the greatest obstacles, temptations for weakness, and show the strength that's in us and make America proud of us all.

Thank you very much.

NOTE: The President spoke at 10:20 p.m. in Exhibit Hall C at the Georgia World Congress Center.

In his remarks, the President referred to Joel W. McCleary, treasurer of the Democratic National Committee, Wallace Hyde, co-chairman of the dinner, Kenneth M. Curtis, chairman of the DNC, and Bert Lance, former Director of the Office of Management and Budget and cochairman of the dinner.

## Tax Reduction and Reform

*Message to the Congress. January 20, 1978*

*To the Congress of the United States:*

I recommend that Congress enact a series of proposals that will reform our tax system and provide \$25 billion in net tax reductions for individuals and businesses.

Fundamental reform of our tax laws is essential and should begin now. Tax relief and the maintenance of a strong economy are essential as well. The enactment of these proposals will constitute a major step towards sustaining our eco-

conomic recovery and making our tax system fairer and simpler.

#### THE NEED FOR TAX REDUCTION

I propose net tax reductions consisting of:

- \$17 billion in net income tax cuts for individuals, through across-the-board rate reductions and a new personal credit, focused primarily on low and middle-income taxpayers.
- \$6 billion in net income tax cuts for small and large corporations, through reductions in the corporate tax rates and extensions of the investment tax credit.
- \$2 billion for elimination of the excise tax on telephone calls and a reduction in the payroll tax for unemployment insurance.

These tax reductions are a central part of the Administration's overall economic strategy, which will rely principally upon growth in the private sector to create the new jobs we need to achieve our high-employment objective. The tax reductions will more than offset the recent increase in social security taxes and will provide the consumer purchasing power and business investment strength we need to keep our economy growing strongly and unemployment moving down.

Together with the programs that I will outline in my Budget Message, these tax cuts should assure that our economy will grow at a 4½ to 5 percent pace through 1979, with unemployment declining to between 5½ and 6 percent by the end of 1979. Without the tax cuts, economic growth would slow markedly toward the end of 1978 and fall to about 3½ percent in 1979. Unemployment would be unlikely to fall below 6 percent and, by the end of 1979, might be moving upward.

This tax program will mean up to one million additional jobs for American

workers. It should lead to a pattern of economic growth which is steady, sustainable, and noninflationary.

In addition, I believe that our taxpayers, particularly those in the low and middle-income brackets, *deserve* significant tax relief—I am determined to reduce Federal taxes and expenditures as a share of our Gross National Product.

#### THE NEED FOR TAX REFORM

The \$25 billion in tax reductions are net reductions, *after* taking account of \$9 billion in revenue-raising reforms which I am also proposing. Indeed, the full cuts in personal and corporate tax rates which I recommend would not be desirable in the absence of significant reform.

But these reforms stand on their own merits and would be long overdue even if I were not proposing any net tax reductions to accompany them. They focus on simplification for the individual taxpayer and the elimination of some of the most glaring tax preferences and loopholes.

Guided by the need for tax simplification and tax equity, I propose that Congress adopt reforms that would:

- Sharply curtail tax shelters.
- Eliminate the deductions claimed by businesses for theater and sporting tickets, yachts, hunting lodges, club dues, and first-class airfare and limit the deduction for the cost of meals to 50 percent.
- Provide a taxable bond option for local governments and modify the tax treatment of industrial development bonds.
- Strengthen the minimum tax on items of preference income for individuals.
- Repeal the special alternative tax on capital gains, which only benefits individuals in the highest tax brackets.
- Replace the personal exemption and

general tax credits with a \$240 per person credit.

—Simplify return preparation and recordkeeping by:

- eliminating the deductions for sales, personal property, gasoline, and miscellaneous taxes;
- combining the separate medical and casualty deductions and allowing them only to the extent they exceed 10 percent of adjusted gross income;
- repealing the deduction for political contributions but retaining the credit; and
- liberalizing and modifying the Subchapter S and depreciation rules applicable to small businesses.

—Include unemployment compensation benefits in the taxable income of taxpayers above certain income levels.

—Ensure that the tax preferences available for fringe benefits assist rank-and-file workers as well as executive officers.

—Eliminate the special bad debt deduction for commercial banks, reduce the bad debt deduction available to savings and loan associations, and remove the tax exemption for credit unions.

—Phase out the tax subsidies for Domestic International Sales Corporations (DISCs) and the deferral of tax on foreign profits.

These reforms will make our tax system both fairer and simpler. Many of them are targeted at tax preferences and subsidies for activities that do not deserve special treatment and that largely benefit those who have no need for financial assistance. The average working man and woman pay for the loopholes and the special provisions in our tax laws—because when some do not pay their fair share, the ma-

jority must pay higher taxes to make up the difference.

Low and middle-income workers, struggling to make ends meet, are discouraged by tax laws that permit a few individuals to live extravagantly at the expense of government tax revenues. The privileged few are being subsidized by the rest of the taxpaying public when they routinely deduct the cost of country club dues, hunting lodges, elegant meals, theater and sports tickets, and night club shows. But the average worker's rare "night on the town" is paid for out of his *own* pocket with *after-tax* dollars.

Likewise, individuals who pay taxes on nearly every penny of earnings are treated unfairly compared to the few who are able to "shelter" their high incomes from taxes. Some persons with incomes exceeding \$200,000 have little or no tax liability, while other high-income individuals return to the Federal government nearly 60 cents of every dollar received. There is no good reason for next-door neighbors, in the same economic circumstances, to have vastly different tax bills because one has found tax shelters and loopholes.

In addition to the preferences for expense account items and tax shelter activities, there are a number of equally inappropriate and inefficient corporate tax subsidies. For example, there is no justification for the DISC export subsidy under which we pay over \$1 billion a year in foregone tax revenue (mostly to our largest corporations) to encourage our firms to do what they would do anyway—export to profitable foreign markets. Nor can we rationalize proposals to reduce business taxes to increase investment at home while the deferral subsidy encourages multinational corporations to invest overseas by letting them pay lower taxes on their foreign profits than they pay on money earned in the United States.



I ask Congress to join with me to end these unwarranted subsidies and return the revenue to the vast majority of our taxpayers who want no more or less than to pay their fair share.

The tax reforms and tax reductions which I am proposing have been carefully balanced to coordinate with our overall economic and budgetary strategy. Large tax reductions are premised on substantial reforms.

I must, therefore, caution that fiscal prudence will require significantly reduced tax cuts for low and middle-income taxpayers if we cannot help finance the reductions I have proposed through enactment of these revenue-raising reforms. I am proposing a balanced tax program, and I urge Congress to consider these recommendations as an integrated package.

#### TAX REDUCTION AND SIMPLIFICATION FOR INDIVIDUALS

Under this tax program, virtually all Americans will receive substantial tax relief, principally through a simple, across-the-board reduction in personal tax rates. Lower withholding rates will be put into effect October 1, 1978, and taxpayers will experience an increase in take-home pay and purchasing power as of that date.

The typical taxpayer in all income classes up to \$100,000 will pay lower taxes. But the bulk of relief has been targeted to low and middle-income taxpayers.

The \$240 credit will be especially beneficial for low and middle-income families. It will remove millions of Americans at or near the poverty level from the income tax rolls. No longer will the tax savings for dependents be worth more to high income than low income families. Instead, the credit will be worth just as much to the moderate income blue-collar worker as to the wealthy executive.

Over 94 percent of the net individual tax relief will be provided to individuals and families earning less than \$30,000 per year, and every income class up to \$30,000 will bear a smaller share of the overall tax burden than it does now. (See Table 4.) Under my proposals, the typical family of four that earns \$15,000 a year will save almost \$260, a 19 percent tax reduction.

For most persons in the low and middle-income brackets, there will be a sizeable net reduction in combined income and payroll taxes even after the scheduled social security tax increases are taken into account. (See Table 10.) Without this cut in income taxes, the social security tax increases would cause a reduction in the take-home pay of American workers. With this tax program, we will have restored the integrity of the Social Security system—returning that system to a sound financial basis and assuring the stability of future benefits for retired workers—without increasing total taxes for most working people or causing a slowdown in our economic recovery.

We must also act to ease the burdens of tax return preparation and recordkeeping. We have a tax system that requires millions of individuals to compute their own tax liability. The government relies upon the good faith and conscientiousness of our taxpayers to an extent unparalleled in the rest of the world. But in order for our system to remain successful, it must be comprehensible to the average taxpayer.

Judged by this standard, the current tax structure is seriously defective. Millions of honest and intelligent Americans find themselves confused and frustrated by its complexity. The cost of this complexity is enormous in terms of hours and dollars spent.

Accordingly, tax simplification has been a goal of this Administration from the outset. The tax return individuals will file between now and April 15 has been

simplified as a result of the Tax Reduction and Simplification Act which I proposed and Congress enacted last year. The short form 1040A has been reduced from 25 lines to 15 lines. Form 1040 has been restructured so that it can be completed more systematically. Tax tables have been revised to reduce arithmetic computations. The language of the tax forms and the instructions has been made more understandable.

The simplification efforts that were begun in 1977 will be continued and expanded in the tax program I am presenting today. The replacement of the existing personal exemption and general tax credits by the \$240 personal credit will simplify return preparation for taxpayers and enable millions of individuals at or below the poverty level to file no tax return. Changes in itemized deductions (which will be more than offset by the rate cuts) will increase the number of nonitemizers to 84 percent of all taxpayers. Six million Americans will be able to switch to the standard deduction and avoid keeping detailed records for tax purposes. The preparation of returns by itemizers will be simplified, and the tax program will reduce recordkeeping burdens on small businesses.

#### BUSINESS AND ANTI-INFLATION TAX REDUCTIONS

Our Nation's employment and anti-inflation goals cannot be met without a strengthening of private business investment. In recent years, capital spending in the United States has been inadequate. Capacity growth in manufacturing has declined from a growth rate of about 4.5 percent during the period 1948-1969, to 3.5 percent from 1969-1973, and to 3 percent from 1973-1976. Real business fixed investment in the third quarter of 1977 was 5 percent below its 1974 peak.

In order to encourage needed capital outlays in the period ahead, my tax program contains annual net business tax reductions of approximately \$6 billion. The corporate tax rate will be reduced on October 1, 1978 from 20 percent to 18 percent on the first \$25,000 of income and from 22 percent to 20 percent on the second \$25,000—this will result in a 10 percent reduction in tax liability for most small corporations. The tax rate for large corporations will be cut from 48 percent to 45 percent on October 1, 1978 and to 44 percent on January 1, 1980.

I also recommend several important changes in the existing 10 percent investment tax credit: the 10 percent credit should be made permanent; liberalized to cover up to 90 percent of tax liability; made fully applicable to qualified pollution control facilities; and extended to investments in industrial and utility structures (including rehabilitation of existing structures). These changes should be particularly beneficial to developing businesses that are seeking to expand their productive facilities and should help to increase expenditures for the construction of new factories.

The corporate rate reductions and extensions of the investment tax credit which I am proposing will encourage capital formation by providing an immediate increase in cash flow to business and by enhancing the after-tax rewards of investment.

All small businesses will receive significant cuts in their tax rates under my program: reducing the bottom as well as the top corporate rates will be of special benefit to small corporations; small business proprietorships and partnerships will benefit from the individual rate cuts. In addition to these tax reductions, my program will simplify the depreciation rules applicable to small business and liberalize

the provisions governing the deductions of losses on stock held in small companies.

Vigorous business investment will help ease inflationary pressure by averting capacity shortages that might otherwise occur as our economy continues to grow. The \$2 billion reduction in telephone excise taxes and employer payroll taxes should provide additional relief from inflation by reducing costs and prices. These tax measures, applied in conjunction with other anti-inflation policies announced in my Economic Report, will support the objective of reducing and containing the rate of inflation.

The combination of these tax cuts and needed business tax reforms will result in a tax system that meets the needs of the broad spectrum of U.S. businesses more efficiently and equitably.

A detailed description of my program follows.

#### RECOMMENDATIONS TO REDUCE TAXES AND SIMPLIFY RETURNS FOR THE AVERAGE TAXPAYER

##### *Tax Reductions for Individuals*

Individual taxes will be reduced through across-the-board rate cuts and substitution of a single \$240 personal credit for the existing personal exemption and alternative general credits. This tax relief will be reflected in decreased withholding rates for employees as of October 1, 1978.

The tax reductions I am now recommending do not include adjustments for Congressional action on the National Energy Plan. In April, I proposed that Congress pass the crude oil equalization tax and rebate the proceeds to the American people on a per capita basis. This course is essential if we are to protect the real incomes of consumers. If the final energy bill includes a full rebate of the net proceeds of the crude oil tax, no further

action on my part will be required. However, if the final bill contains a rebate provision only for 1978—as provided in the House version—I intend to send a supplemental message to Congress recommending that the individual tax reductions proposed in this Message be increased by the net proceeds of the crude oil tax.

(1) *Rate Cuts.* The proposed rate schedule will range from a lowest bracket of 12 percent to a top bracket of 68 percent, compared with the current 14 to 70 percent range. As under current law, the top rate bracket will apply with respect to income in excess of \$200,000 for joint returns and \$100,000 for single returns. The entire schedules are set forth in Tables 11 and 12. This new rate structure will, in and of itself, increase the overall progressivity of the individual income tax because the cuts are proportionately larger in the low and middle-income brackets.

(2) *Per Capita Tax Credit.* The tax benefits for dependents currently favor the wealthy over persons with modest incomes. A taxpayer is now entitled to a \$750 exemption for each family member in addition to a general tax credit, which is equal to the greater of \$35 per family member or 2 percent of the first \$9,000 of taxable income. The net effect of the complicated series of exemptions and credits is this: a family of four in the 50 percent tax bracket enjoys a tax savings of \$1,680 for dependents while families earning \$10,000 save about one-third of that amount.

I propose that the existing exemption and general credits be replaced with a single credit of \$240 per family member. Unlike the current structure, the new credit will provide the same benefit at all income levels; for a family with four members, the per capita credit will be worth \$960 whether that family is middle class or wealthy. The \$240 credit will en-

sure that most families at or near the poverty level will pay no taxes. Also, a single tax credit will simplify tax return preparation by eliminating the confusion caused by the existing combination of exemptions and alternative credits.

#### *Changes in Itemized Deductions*

The primary source of complexity in the tax laws for many middle-income individuals is itemized deductions. Average taxpayers have to maintain burdensome records in order to substantiate the deductions and are required to decipher complex tax rules to complete their tax returns. Restructuring of itemized deductions is essential if the tax laws are to be simplified for typical, middle-class individuals and families.

I am recommending changes in itemized deductions that will enable approximately 6 million taxpayers to switch to the simple standard deduction. The number of taxpayers who use the standard deduction will be increased from 77 percent to 84 percent. And the calculation of the deductions for itemizers will be simplified greatly.

The deductions that will be curtailed are ones that add complexity and inequity to the tax system without advancing significant objectives of public policy. We will have a simpler, more efficient tax system if we eliminate these deductions and return the revenue directly to taxpayers through the rate cuts I propose.

(1) *State and Local Taxes.* The special deduction will be eliminated for general sales taxes, taxes on personal property (but not on residences or buildings), gasoline taxes, and miscellaneous taxes. These itemized deductions are claimed at nearly uniform rates by all itemizers and result in a relatively small tax benefit. For those taxpayers who do not use the published deduction tables, the recordkeeping burden can be substantial.

Moreover, a deduction for these types of taxes cannot be defended on public policy grounds. A deduction for gasoline taxes runs counter to our national effort to conserve energy. And the present level of State sales taxes cannot be said to depend upon the fact that those State taxes are deductible for Federal income tax purposes.

(2) *Political Contributions Deduction.* Political contributions are now deductible as an itemized deduction in an amount not exceeding \$200 for a joint return. Alternatively, a taxpayer may claim a credit against his tax for one-half of his political contributions, with a maximum credit of \$50 on a joint return.

The reform program will repeal the political contribution deduction but retain the credit. The deduction is undesirable because it provides a larger subsidy to high-bracket contributors. Due to the present deduction, the wealthiest individuals can contribute \$200 at an after-tax cost to them of only \$60; middle-income Americans incur a cost of \$150 for the same contribution. Elimination of the deduction will enhance tax equity and diminish the confusing complexity of the current scheme of deductions and credits.

(3) *Medical and Casualty Deductions.* The medical expense deduction is one of the most complicated items on the tax forms. Currently, one-half of the first \$300 of health insurance premiums is deductible outright for those who itemize. Other medical expenses (including additional health insurance premiums) are deductible to the extent they are in excess of 3 percent of adjusted gross income. The latter category of deductibility also includes medicines and drugs to the extent they exceed 1 percent of adjusted gross income. And there is a separate deduction for damage to property from a casualty (such as theft or fire) if the loss exceeds \$100 and is not reimbursed by insurance.

I recommend substantial simplification of these provisions. The deductions for medical and casualty expenses will be combined, and a new "extraordinary expense" deduction will be available for medical and casualty expenses in excess of 10 percent of adjusted gross income. In the case of casualty losses, the excess over \$100 will be included in this computation. Medical insurance premiums and medicines will be treated the same as other medical expenses.

Medical and casualty expenditures should properly be deductible only when they are unusually large and have a significant impact on the taxpayer's ability to pay. The medical expense deduction originally met that standard. But, as a result of the changing relationship between medical costs and income, that standard is no longer satisfied. Substantial recordkeeping burdens and administrative problems can be eliminated through the proposed simplification of the deduction and the redefinition of "extraordinary" in the light of current experience among taxpayers.

#### PROPOSALS TO CURTAIL INAPPROPRIATE SUBSIDIES, SPECIAL PRIVILEGES, INEQUITIES AND ABUSES OF THE TAX SYSTEM

##### *Entertainment and Other Expenditures for Personal Consumption*

One feature of the current tax system that is most disheartening to average taxpayers is the favorable tax treatment accorded extravagant entertainment expenses that are claimed to be business-related. Some individuals are able to deduct expenditures that provide personal enjoyment with little or no business benefit. And, even where entertainment expenditures may have some relationship to the production of income, they provide untaxed personal benefits to the participants. More than \$2 billion of tax revenue

is lost every year through these tax preferences.

For example, one person claimed a deduction of \$17,000 for the cost of entertaining other members of his profession at his home, at a country club, at sporting events, at restaurants, and at a rental cottage. Another individual wrote off the cost of business lunches 338 days of the year at an average cost far exceeding \$20 for each lunch. But there is no deduction in the tax laws for the factory worker's ticket to a football game or the secretary's lunch with fellow workers.

These special tax advantages for the privileged few undermine confidence in our Nation's tax system. The disparity must be eliminated by denying a deduction for expenditures to the extent they provide the participants with such untaxed personal enjoyment and benefits.

(1) *Theater and Sporting Events.* No deduction will be permitted for purchases of tickets to theater and sporting events. Present law, by allowing a deduction for the purchase of such tickets, provides a "two for the price of one" bargain to some taxpayers. As long as an individual is in the 50 percent tax bracket or above, he may be able to invite a business friend at no cost to himself by having the Federal government pay for at least one-half of the total ticket costs. The overwhelming majority of our citizens pay for their theater and sports tickets out of their own after-tax dollars. No taxpayer should be asked to help subsidize someone else's personal entertainment.

(2) *Other Entertainment Expenses.* The tax reform program will also deny deductibility of any expenses of maintaining facilities such as yachts, hunting lodges and swimming pools and for fees paid to social, athletic, or sporting clubs. During a recent tax year, one small corporation deducted \$67,000 for yacht expenses incurred in entertaining customers

and potential customers on cruises and fishing trips. Another small company deducts over \$100,000 a year to maintain hunting and fishing lodges to entertain employees of customers. Asking taxpayers to subsidize these kinds of activities for a tiny minority of our citizens strikes at the fairness and integrity of the tax system.

(3) *Business Meals*. Fifty percent of currently deductible business entertainment expenses for food and beverages will remain deductible, and 50 percent will be disallowed. A substantial portion of business meal expenses represents the cost of personal consumption that must be incurred regardless of the business connection. The millions of Americans who work on farms, in factories and in offices should not be required to provide their tax dollars to support the high-priced lunches and dinners of a relatively small number of taxpayers. The 50 percent disallowance represents a reasonable and fair approach to compensate for the untaxed personal benefit involved.

(4) *Foreign Conventions*. Many professional, business, and trade organizations can furnish their members with tax-deductible foreign vacations. The method of conferring such tax-subsidized luxury is to sponsor a foreign convention or seminar. A brochure for one professional organization provides the appropriate atmosphere in promoting its foreign seminars:

"Decide where you would like to go this year: Rome. The Alps. The Holy Land. Paris and London. The Orient. Cruise the Rhine River or the Mediterranean. Visit the islands in the Caribbean. Delight in the art treasures of Florence."

The Tax Reform Act of 1976 placed some limits on the deductibility of foreign convention expenses. But the rules still permit taxpayers to take two foreign vacations a year partially at public expense—an exception that did not escape the at-

tention of the organization whose 1977 brochure I have quoted.

I am proposing that the deductibility rules for foreign conventions be modified in a manner that will curb abuses while relaxing the current restrictions on conventions held in foreign countries for legitimate business purposes. The two convention rule will be stricken. In its place will be a rule that denies deductibility for foreign convention expenses unless factors such as the purpose and membership of the sponsor make it as reasonable to hold the convention outside the United States and possessions as within.

(5) *First Class Air Fare*. Another example of public support for private extravagance is the deductibility of first class air fare. Business travel constitutes a legitimate cost of producing income. However, the business purpose is served by purchasing a ticket at coach fare. The undue generosity of a deduction for first class air fare was recognized by Congress in 1976 when a deduction was denied for first class flights to foreign conventions. I propose that the rule be extended to tickets for domestic business travel.

#### *Tax Shelters*

Through tax shelters, persons can use "paper" losses to reduce taxes on high incomes from other sources. These shelter devices can slash the effective tax rate for many affluent individuals far below that of average income Americans. Moreover, such shelters attract investment dollars away from profit-seeking businesses and into ventures designed only for tax write-offs; legitimate businesses suffer competitive disadvantages as a result.

In the Tax Reform Act of 1976, Congress enacted reforms intended to restrict tax shelter abuses. The principal methods used in that legislation were revisions of the minimum tax and the adoption of an

"at risk" rule to limit the deductibility of certain tax shelter losses.

However, some promoters have now adapted their operations to provide shelters in forms that were not specifically covered by the 1976 Act. In fact, shelter activity in 1977 may have surpassed the level reached in 1976. Form letters, addressed to "All of Us Who Wish to Reduce Our Taxes," boldly promise tax write-offs several times larger than the amount invested, and persons are urged to pass the message along "to anyone you think may have interest in tax reduction." Tax shelter experts promote their services in large and expensive advertisements in the financial sections of our Sunday papers.

Such flagrant manipulation of the tax laws should not be tolerated. I recommend action that will build upon the 1976 reforms and further reduce tax shelter abuses.

(1) *Strengthening of the Minimum Tax.* The minimum tax has proved to be one of the most useful devices to limit the attractiveness of tax shelter schemes, and it should be made still more effective. In its current form, the minimum tax is imposed at a rate of 15 percent on the amount of certain tax preference items enjoyed by a taxpayer. But the total amount of tax preferences can be reduced by the greater of \$10,000 or one-half of regular tax liability (in the case of individuals) before the minimum tax is applied.

I recommend that the minimum tax for individuals be strengthened by eliminating the offset of one-half of regular tax liability against preference income. This change will make the minimum tax more progressive and a more sharply focused deterrent to the use of tax shelters. Persons making excessive use of preferences will be taxed on their preference

income without regard to regular tax liability. On the other hand, those individuals with modest preference income will still be totally exempted from the minimum tax by the \$10,000 preference offset, and the minimum tax will not be applied to capital gain realized on the sale of a personal residence. Ninety-eight percent of the \$284 million in revenue raised by this proposal will come from taxpayers with incomes exceeding \$100,000 and more than 77 percent will come from the income class over \$200,000.

(2) *Extension of "at risk" Rule.* One of the 1976 reforms that should be toughened is the "at risk" rule. That rule denies deductibility for a shelter investor's paper losses that exceed his cash investment and indebtedness for which he has personal liability. My tax reform plan will generally extend the "at risk" provisions to cover all activities (except real estate) carried on individually, through partnerships, or by corporations controlled by five or fewer persons.

(3) *Changes in Real Estate Depreciation.* Reform of real estate depreciation practices is needed to reduce much of the wasteful tax shelter investment that has led to overbuilding of commercial real estate in such forms as shopping centers and office buildings. Real estate shelters were left virtually untouched by the 1976 Act. Consequently, these shelters have continued to thrive.

It is time to move depreciation for tax purposes more closely into line with a measurement of actual economic decline. The reform program will generally require taxpayers to base their depreciation for buildings on the straight-line method, using the present average tax lives claimed by taxpayers for different classes of property. Exceptions from the general rule will be granted until 1983 for new multifamily housing, which will be permitted

to use a 150 percent declining balance method; new low-income housing will remain eligible for a 200 percent declining balance method until 1983, and for 150 percent thereafter. Needed investment in industrial plants will be encouraged by an extension of the investment credit, as explained below. The investment credit is a more efficient and straight-forward means to provide a tax subsidy for such construction.

(4) *Taxation of Deferred Annuities.* Another flourishing tax shelter gimmick is the deferred annuity contract. Currently, a person can generally invest in an annuity contract and postpone taxation on the interest build-up until the annuity is actually received. Although originally designed primarily to provide a safe flow of retirement income, the deferred annuity contract is now used commonly as a convenient tax dodge for a wide range of investment opportunities. The shelter benefits are aptly described by the promotional literature:

*"How To Postpone Taxes Legally And Earn Interest On Uncle Sam's Money . . . . . With An Investment That Never Goes Down, Always Goes Up, And Is Guaranteed Against Loss."*

I recommend that this tax abuse be eliminated. Under my proposal, the earnings of most deferred annuities will be taxed currently to the purchaser. However, in order that an individual may still use a deferred annuity with guaranteed interest as a means to provide retirement income, the proposal will allow each person to designate a single contract, contributions to which may not exceed \$1,000 annually, as a contract that will remain eligible for tax deferral. Also unaffected will be the tax treatment of qualified employee annuities.

(5) *Classification of Nominal Partnerships as Corporations for Tax Purposes.*

In many cases, tax shelter schemes can offer the desired tax benefits to investors only if the shelter vehicle is organized as a partnership rather than a corporation. At the same time, limited partnerships can now provide traditional non-tax attributes of a corporation, such as limited personal liability, centralized management, and transferability of interests without sacrificing partnership tax benefits.

Promoters should not obtain the non-tax attributes of a corporation for their shelters while using technicalities to avoid corporate tax treatment. I recommend that new limited partnerships with more than 15 limited partners be treated as corporations for tax purposes; however, partnerships engaged primarily in housing activities will be excepted from this classification rule.

(6) *Tax Audit of Partnerships.* Tax shelter partnerships are not themselves subject to the tax assessment mechanism of the Internal Revenue Service; therefore, each individual partner must be audited separately even though the same substantive determinations may be involved. I recommend that legislation be enacted to permit a partnership to be treated as an entity for the purpose of determining tax issues. Tax shelters based on illegitimate deductions should not be permitted to succeed merely because of the difficulties involved in conducting an IRS examination of their activities.

#### *Termination of Alternative Tax for Capital Gains*

The wages of most workers are fully subject to tax at the rates contained in the published tax tables. But persons whose income arises from the sale of assets such as stock or land generally receive preferred treatment; a deduction for long-term capital gains has the effect of taxing these gains at a rate that is one-half of the rate for ordinary income. This preference re-



sults in an annual revenue loss to the Treasury of \$8 billion.

Taxpayers in the highest income brackets are granted an additional tax preference over and above the special capital gains deduction. Individuals above the 50 percent tax bracket can take advantage of a 25 percent tax ceiling on the first \$50,000 of capital gains, a provision known as the "alternative tax." The benefits of this provision go exclusively to persons with taxable incomes exceeding \$52,000 (if filing a joint return) or \$38,000 (if filing a single return)—less than one percent of all taxpayers.

Through the alternative tax, a wealthy investor can shield nearly 65 percent of his capital gains from taxation—a benefit that is grossly inequitable when middle-class investors are taxed on one-half of such gains, and most workers are taxed on every cent of their wages and salaries. The alternative tax costs the Treasury over \$100 million every year, almost 90 percent of which goes to taxpayers in income classes above \$100,000. I propose the repeal of this unfair and complicated tax benefit.

#### *Fringe Benefits Unavailable to Rank-and-File Workers*

Our tax system generally operates under the principle that employees should be taxed on their compensation no matter what form that compensation assumes. A worker who receives cash wages that he uses to provide benefits for his family should not ordinarily be taxed more heavily than the employee who receives those benefits directly from his employer. There are now exceptions to this general rule for certain types of employee benefits. I urge Congress to act so that these tax preferences benefit rank-and-file workers as well as the executive officers.

(1) *Non-discrimination Requirement for Health and Group Life Plans.* An ex-

ample of a tax-preferred employee benefit is a health or group life insurance plan. If an individual purchases medical insurance, the premiums are deductible only within the limits applicable to the medical expense deduction. However, if an employer establishes a medical insurance program for its employees, the premium payments by the employer are deductible while neither the premiums nor the benefits are taxable to the employee.

Although this tax preference was designed in theory to secure basic protections for a wide range of employees, it often serves instead to subsidize expenses of only the high-level corporate managers. It is now possible for a businessman, through his controlled corporation, to establish a health plan that covers only one employee—himself—and permits all of his medical and dental expenses to be deducted. Meanwhile, that corporation's other employees have to provide health care for their families with nondeductible expenditures.

To curb this abuse, I recommend denial of the tax exemption for employer-established medical, disability, and group life insurance plans if those plans discriminate in favor of officers, shareholders, and higher-paid employees. Preferential tax treatment is now available to pension plans only if non-discrimination standards are met. The tax law should require similar non-discriminatory treatment for workers in the case of medical, disability, and group life insurance plans.

(2) *Employee Death Benefits.* Current law provides an exclusion for the first \$5,000 of payments made by an employer on account of the death of an employee. I recommend the repeal of this exclusion. Typically, these death benefits are in the nature of deferred wages that would have been paid to employees in high tax brackets. Adequate tax relief for an employee's heirs is provided through a complete tax

exemption for insurance proceeds.

(3) *Integration of Qualified Retirement Plans and Social Security.* Certain employer-sponsored retirement plans have a preferred tax status. Employer contributions to a qualified plan are currently deductible while the employee can defer taxation until retirement benefits are received. Although qualification for this special treatment is generally dependent upon non-discriminatory coverage of employees, the tax laws now permit a qualified plan to cover only employees who earn amounts exceeding the social security wage base—a base that will rise to \$25,900 by 1980 under the recently enacted social security financing legislation.

It is unfair to grant tax preferences for private pension plans that bar all low and middle-income employees from participation. I propose that a new integration formula be enacted so that a qualified pension plan cannot provide benefits to supplement social security for highly compensated employees unless all employees receive some coverage under the plan.

#### *Unemployment Compensation*

Unemployment compensation is a substitute for wages that generally provides needed relief to persons in financial distress. But, in some cases, the unemployment compensation system discourages work for taxable income. Since unemployment benefits are tax-free, they are more valuable than an equivalent amount of wages. This means that if two individuals have the same total income, the one who remains idle several months and receives unemployment compensation will be better off financially than his colleague who works the whole year. There can be no justification for conferring this tax-free benefit upon middle and upper-income workers.

I propose that the current tax exemption for unemployment compensation ben-

efits be phased out as an individual's income rises above \$20,000 for single persons or \$25,000 for married couples.

#### *Taxable Bond Option and Industrial Development Bonds*

Present law exempts from Federal taxation the interest on certain bonds issued by state and local governments. There are now two general categories of tax-exempt bonds: obligations issued for the benefit of the state and local government itself, and industrial development bonds issued by the government to provide facilities such as pollution control equipment, sports facilities, waste disposal facilities, industrial parks, and facilities (including hospitals) of private, non-profit organizations. Also, there is a "small issue" exemption for certain industrial development bonds with face amounts that do not exceed \$1 million, or \$5 million where the total cost of capital expenditures on the financed facility does not exceed the \$5 million amount.

My tax program preserves the freedom of state and local governments to issue tax-exempt bonds. I am recommending reforms that will restrict the tax avoidance opportunities available to the wealthy in the tax-exempt market while, at the same time, increasing the ability of state and local governments to obtain low-cost financing. In particular, I propose the following:

(1) *Option for Bonds Benefitting Governmental Units.* State and local governments will be given the option of continuing to issue tax-exempt bonds or issuing fully taxable bonds, accompanied by a direct Federal interest subsidy to the governmental units. For bonds issued in 1979 and 1980, the subsidy will be equal to 35 percent of the interest cost; the subsidy will rise to 40 percent for bonds issued after 1980. The Federal government will exercise no control over the purposes for

which state and local governments use subsidized financing. State and local governments will benefit under the taxable bond option regardless of whether they decide to issue taxable or tax-exempt bonds: those issuing taxable bonds will benefit directly from the interest subsidy, and those continuing to issue tax-exempt bonds will benefit because the reduced supply of such bonds will allow governments to sell them at lower interest rates.

(2) *Pollution Control Bonds, Bonds for the Development of Industrial Parks, and Private Hospital Bonds.* The tax exemption will be removed for interest on pollution control bonds and bonds for the development of industrial parks. Also, the exemption will be removed for bonds issued to finance construction of hospital facilities for private, non-profit institutions unless there is a certification by the state that a new hospital is needed. These activities are essentially for the benefit of private users, and the tax exemption for the bonds has the effect of undermining the financing of governmental functions. Moreover, the general exemption for hospital bonds encourages excessive expansion of unneeded hospital facilities and runs counter to the Administration's Hospital Cost Containment proposal.

(3) *Small Issue Exemption.* The existing "small issue" exemptions will be retained only for economically distressed areas; and, with respect to those areas, the \$5 million exemption will be raised to \$10 million.

(4) *Option for Certain Industrial Development Bonds.* Industrial development bonds which continue to enjoy tax-exempt status (such as those to finance sports facilities, housing, airports and convention facilities and small issues for economically distressed areas) will be eligible for the taxable bond option on the same terms as obligations issued for the benefit of state and local governments.

### *Accrual Accounting for Large Corporate Farms*

Most taxpayers that are in the business of selling products must use an accrual method of accounting so that income is reflected accurately for tax purposes. However, farmers have historically been permitted to use the simpler cash method on the grounds that they lack the accounting and bookkeeping expertise required by the accrual system.

Congress acted in 1976 to deny the cash accounting privilege to most large corporate farms (with annual gross receipts exceeding \$1 million), but retained an exception for large corporations that are "family owned." This distinction between family and nonfamily corporations bears no relationship to the rationale of preserving simple bookkeeping methods for small farmers. It has resulted in severe competitive imbalances between large corporations now required to use accrual accounting and those that are equally large but happen to fall within the definition of a "family farm."

This inequitable exception should now be eliminated. Corporate farms with gross receipts exceeding \$1 million cannot fairly claim that they lack the sophistication necessary to comply with accrual accounting standards. Nor can lack of financial sophistication be claimed by farm syndicates used as investment vehicles by non-farmers. Therefore, I recommend that the accrual accounting requirement cover corporations with gross receipts greater than \$1 million, regardless of their ownership, and all farm syndicates.

### *Tax Treatment of Financial Institutions*

Financial institutions now have a favored tax status that is based largely on outmoded concepts regarding the nature of these businesses. Commercial banks, mutual savings banks and savings and loan associations were permitted to de-

duct artificially inflated reserves for bad debts in order to protect the banking system from catastrophic losses that were prevalent prior to the extensive banking legislation of the 1930's. Credit unions were exempted from taxation in the days when these institutions were small entities with close bonds among the members and few powers to provide extensive financial services. I am recommending changes that will recognize the contemporary practices of financial institutions and will bring the tax treatment of commercial banks, savings and loan associations and credit unions more in line with the taxation of other businesses. These reforms will raise \$300 million per year in revenue.

(1) *Commercial Banks.* Commercial banks may now claim bad debt deductions that greatly exceed their actual losses. Under legislation enacted in 1969, this special bad debt deduction is scheduled for elimination after 1987. I propose that the effective date for repeal be accelerated so that beginning in 1979 banks, like other businesses, will base their bad debt reserves on their own experience in the current and 5 preceding years.

(2) *Mutual Savings Banks and Savings and Loan Associations.* Mutual savings banks and savings and loan associations are also permitted a special bad debt deduction that bears no relationship to actual experience. These thrift institutions are generally entitled to deduct 40 percent of their net income (this percentage is scheduled to apply in 1979) as a bad debt reserve as long as a significant portion of their deposits is invested in real estate loans. My tax program will reduce the percentage to 30 percent over a 5-year period.

(3) *Credit Unions.* Credit unions are tax-exempt. Yet, their powers and functions are defined so broadly that the term "credit union" can include financial institutions that are functionally identical

to a savings and loan association. The tax exemption provides them with an unfair financial advantage over their competitors. I propose that the percentage of exempt income be phased out over a 4-year period, and that credit unions be taxed in the same manner as mutual savings banks and savings and loan associations after 1982.

#### *Domestic International Sales Corporation (DISC)*

Business incentives form an integral part of my tax program. I am recommending measures that will encourage American businesses to invest in productive facilities and to create jobs. However, adoption of those incentives must be accompanied by the elimination of tax preferences that have proved to be wasteful. The so-called "DISC" provision is a prime example.

In 1971, Congress enacted a special tax program for exports. This program permitted tax benefits for exports channeled through a company's specially created subsidiary, usually a paper organization, known as a domestic international sales corporation (DISC). Artificial pricing rules on transactions between the parent company and its DISC permit a favorable allocation of export profits to the DISC, and the taxation of one-half of eligible DISC income is deferred as long as these profits are invested in export related assets.

DISC has proved to be a very inefficient and wasteful export subsidy in the current international monetary system. A recent Treasury study indicates that DISC may have contributed only \$1 to \$3 billion to U.S. exports in 1974—an increase of less than 3 percent in total exports—at a tax revenue cost of \$1.2 billion. In the long run, even these increased exports are probably offset by rising imports that result from the operation of the flexible exchange rate system. DISC does

nothing for, and may even disadvantage, our import sensitive industries and our exporters not using the DISC provision. Independent experts believe that DISC may have had *no* positive effect on our balance of payments.

Congress has recognized the wasteful nature of DISC and, in 1976, limited its applicability. However, DISC continues to cost U.S. taxpayers over \$1 billion per year, with 65 percent of DISC benefits going to corporations with more than \$250 million in assets.

I propose the elimination of one-third of DISC benefits in 1979, two-thirds in 1980, and all DISC benefits in 1981 and thereafter.

#### *Foreign Tax Deferral*

Domestic corporations can now avoid paying a U.S. tax on the earnings of their foreign subsidiaries as long as those earnings remain overseas. A U.S. tax is generally deferred until dividends are paid by the subsidiary to its domestic parent, and then U.S. tax liability is offset by a tax credit for foreign income taxes paid on those remitted earnings. Fifty percent of all the benefits of tax deferral is obtained by 30 large multinational corporations.

I recommend that this deferral privilege be phased out over a 3-year period. At least one-third of a foreign subsidiary's earnings will be taxed to the U.S. parent in 1979, at least two-thirds in 1980, and all the subsidiary's earnings after 1980. The tax reform program is designed to create incentives for investment in the United States and the creation of jobs for American workers. Tax deferral runs counter to these objectives. By providing a preference for foreign source income, the current deferral provision provides an incentive for investing abroad rather than in the United States, thereby having the effect of reducing job opportunities for Americans. Moreover, deferral can en-

courage multinational corporations to manipulate internal transfer prices in order to allocate income to low-tax countries.

There is no reason to defer the imposition of a U.S. tax just because business operations are conducted abroad rather than in the United States, regardless of the motivation for creating a foreign subsidiary. Congress eliminated in 1969 certain special tax preferences for businesses conducted in the United States through multi-layered corporations. I propose that Congress act in a similar manner to end the present preference for business operations conducted internationally through such multinational corporate structures.

The foreign tax credit will be retained in its present form. Therefore, elimination of deferral will not result in a double taxation of overseas earnings. And, in the event it appears to be in the national interest to permit tax deferral with respect to specific countries, such treatment can be provided selectively under negotiated tax treaties involving mutual concessions.

#### **SPECIAL TAX REDUCTIONS PROPOSED TO REDUCE COSTS FOR CONSUMERS AND BUSINESSES**

I propose two tax reduction measures—outside the income tax system—that will assist our efforts to attain price stability.

#### *Repeal of Excise Tax on Telephone Services*

The present 4 percent excise tax on amounts paid for telephone services is now being phased out at the rate of 1 percentage point a year, with full repeal scheduled as of January 1, 1982.

I recommend complete repeal of this tax as of October 1, 1978. This action will reduce the cost of living directly. It will also lower consumer prices indirectly

through a reduction of the business cost associated with telephone services.

#### *Federal Unemployment Insurance Tax*

I recommend a reduction in the Federal unemployment insurance tax to reduce the payroll costs of employers. On January 1, 1978, the unemployment insurance tax rate rose from 0.5 percent to 0.7 percent of an employer's taxable wage base. This tax increase was instituted in order to replenish general revenue funds that have been loaned to the unemployment insurance trust fund during recent periods of high unemployment. But the issue of unemployment compensation financing requires a thorough reexamination to determine the best means of providing future benefits. To this end, I will soon appoint the National Commission on Unemployment Insurance which the Congress established to make this study and to offer recommendations. In the meantime, I am guided by my concerns about inflation. I propose that the tax rate be reduced to the 0.5 percent level as of January 1, 1979.

#### RECOMMENDED BUSINESS INCENTIVES TO FOSTER GROWTH OF THE ECONOMY

##### *Corporate Rate Cut*

I recommend a corporate rate cut that will reduce business taxes by \$6 billion. Tax relief in this form is sizable, easily understood by taxpayers, and applicable across the board.

The corporate tax rate is now 20 percent on the first \$25,000 of income, 22 percent on the next \$25,000, and 48 percent on corporate income exceeding \$50,000. Effective October 1, 1978, this program will reduce the first two rate brackets to 18 and 20 percent, respectively, and the rate to 45 percent on taxable income in excess of \$50,000. The top rate will be reduced an additional point, to 44 percent, on January 1, 1980. Small

as well as large corporations will benefit from these rate cuts.

A corporate rate reduction of this magnitude will increase capital formation and help to assure a sustained economic recovery. In recent years, the level of business fixed investment has been unsatisfactory. One of the primary causes of this inadequate investment performance has been the low rate of return businesses receive on their investments—after tax liability is taken into consideration. The lower tax rates I recommend will enhance the anticipated after-tax profits on corporate investment projects and increase cash flow immediately. Businesses will thereby be encouraged to increase capital spending and to create jobs for American workers. Corporate rate cuts this large are made possible by, and depend upon, passage of the revenue-raising business tax reforms I have described earlier.

##### *Liberalization of Investment Tax Credit*

The investment tax credit has proven to be one of the most potent tax incentives for capital formation. It provides a direct reduction in tax liability generally equal to 10 percent of a business' qualifying investments. But there are now several limitations that restrict its effectiveness.

I recommend changes that will make the investment credit a stronger, more efficient, and more equitable incentive. These changes will reduce business taxes by approximately \$2.5 billion per year.

(1) *Permanent 10 Percent Credit.* The present 10 percent investment credit is not a permanent feature of the Internal Revenue Code. On January 1, 1981, the credit level is scheduled to revert to 7 percent. I propose that the credit be extended permanently at a 10 percent rate so that businesses can plan ahead with greater certainty of the tax benefits that will be

associated with projected capital expenditures.

(2) *Increased Tax Liability Ceiling.* The investment credit claimed during any taxable year cannot generally exceed \$25,000 plus 50 percent of tax liability in excess of that amount (with excess credits being eligible for a 3-year carryback and a 7-year carry-forward). My tax program will provide a ceiling of 90 percent of tax liability (including the first \$25,000) and will thereby increase the incentive for those businesses with relatively high investment needs and low taxable incomes. Developing businesses and firms suffering from temporary business reversals will be helped to compete more effectively with their larger or more stable competitors.

(3) *Eligibility of Structures.* The investment credit now applies only to machinery and equipment. My tax program will extend eligibility for the credit to utility and industrial structures, where investments have been especially sluggish. Investment in these structures reached its peak over 4 years ago and is now 16 percent below that level. It is important that we act to remedy the existing tax bias against structures and encourage balanced industrial expansion. In order to ensure that this provision has no anti-urban bias, I propose that the investment credit be available for both new structures and the rehabilitation of existing structures.

I recommend that this provision apply to construction costs incurred after December 31, 1977. In the case of new structures, there will be an additional requirement that the facility be placed in service after that date.

(4) *Liberalized Credit for Pollution Control Facilities.* I propose that pollution abatement facilities placed in service after December 31, 1977, be allowed to

qualify for a full 10 percent credit even if special 5-year amortization is claimed under the provisions of existing law. Currently, only a 5 percent credit may be combined with rapid amortization. This proposal will provide significant tax relief for industries that are forced to make pollution control expenditures in order to comply with environmental regulations.

#### *Revision and Simplification of Regulations Under the Asset Depreciation Range System*

The asset depreciation range (ADR) system provides substantial tax benefits to businesses. Under ADR, generous class lives are prescribed for categories of assets, and a taxpayer can select useful lives for depreciation purposes within a range that extends from 20 percent below to 20 percent above the designated class life. However, certain complexities in the ADR regulations discourage most businesses, especially small ones, from electing this depreciation system and impose administrative burdens on those businesses that do use ADR.

I recommend legislation expressly permitting the Treasury Department to issue regulations that will simplify the ADR system. Included among the changes will be a termination of the annual reporting requirement.

#### *Proposals Focused on Small Business*

The tax reductions I recommend will provide significant benefits for small businesses. For example, a small corporation with annual income of \$50,000 will save \$1,000 in taxes due to corporate rate reductions. For that corporation, tax liability will be reduced by nearly 10 percent. Moreover, those small businesses conducted in partnership or sole proprietor-

ship form will benefit substantially from the rate cuts I have proposed for individuals.

But in addition to providing these general tax incentives, I recommend three proposals designed specifically to assist small businesses. First, my tax program will simplify and liberalize the rules (Subchapter S) that treat certain small corporations as partnerships; the number of permissible shareholders will generally be increased from 10 to 15, and the rules governing subchapter S elections will be made less stringent. Second, a simplified method of depreciation will be authorized for small businesses that will provide tax benefits similar to the current ADR system without complex recordkeeping requirements. And third, risk-taking will be encouraged by doubling the amount of a small corporation's stock (from \$500,000 to \$1 million) that can qualify for special ordinary loss treatment and by eliminating several technical requirements that

needlessly restrict the ability of small businesses to use this provision.

#### CONCLUSION

Enactment of these recommendations will effect major reform of our tax laws, provide significant tax relief, and sustain our economic recovery.

This program will eliminate a number of the inequities that undermine the integrity of the tax system. It will make preparation of returns simpler and more understandable for millions of taxpayers. Prompt passage will strengthen the confidence of consumers and businesses in our growing economy and lead to the creation of up to one million new jobs for workers who need them.

I look forward to working in partnership with Congress to enact this program of tax reform and tax reduction.

JIMMY CARTER

The White House,  
January 20, 1978.

**Table 1**

SUMMARY OF REVENUE EFFECTS OF INCOME TAX REDUCTIONS, TAX REFORMS AND TELEPHONE EXCISE AND UNEMPLOYMENT INSURANCE TAX REDUCTIONS

[In billions of dollars]

	Fiscal years				
	1979	1980	1981	1982	1983
<b>Individual income tax:</b>					
Tax reductions.....	-22.5	-25.7	-29.2	-33.4	-38.5
Tax reforms.....	4.2	7.4	8.9	10.6	12.3
Net change.....	-18.3	-18.2	-20.3	-22.8	-26.2
<b>Corporation income tax:</b>					
Tax reductions.....	-6.3	-9.4	-11.1	-11.8	-12.8
Tax reforms.....	1.1	3.0	4.3	5.0	5.2
Net change.....	-5.1	-6.5	-6.8	-6.8	-7.6
<b>Telephone excise and unemployment insurance tax reductions:</b>					
reductions.....	-1.6	-2.0	-1.6	-1.2	-1.1
Total.....	-25.0	-26.6	-28.6	-30.8	-34.9



Table 2

## THE EFFECT OF TAX PROPOSALS ON CALENDAR YEAR TAX LIABILITY

[In millions of dollars]

	Full year 1976	Calendar years					
		1978	1979	1980	1981	1982	1983
\$240 credit and reduced tax rates.....	-17,305	-6,067	-23,538	-26,583	-30,272	-34,732	-40,110
Itemized deduction changes:							
Repeal gasoline tax deductions.....	582		862	983	1,121	1,277	1,456
Repeal sales tax de- ductions.....	1,672		2,477	2,824	3,219	3,670	4,184
Repeal miscellaneous tax deductions....	384		569	649	739	843	961
Deduction for medical and casualty ex- penses.....	1,396		1,909	2,119	2,352	2,611	2,898
Repeal political con- tributions deduction.	2		2	4	2	3	3
Repeal capital gains al- ternate tax.....	113		140	151	162	174	187
Individual real estate tax shelters.....	320		61	181	296	407	514
Taxation of unemployment benefits.....	275		212	207	204	204	214
Tax interest element of annuity contracts.....	320		12	26	40	57	80
Minimum tax change.....	229		284	306	329	353	380
Taxable bond option (in- dividual).....	255		197	592	1,080	1,666	2,218
Extend 10 percent invest- ment tax credit to struc- tures (indiv.).....	-36	-47	-54	-65	-73	-79	-86
Limit individual tax credits to 90 percent of tax be- fore credits.....	38		52	58	64	71	79
Tax qualified retirement plans and employee death benefits.....	30		32	32	33	33	34
Corporate real estate shelters.....	180		40	118	194	265	335
Corporate family farm ac- counting.....	30		40	25	10	5	7
Bad debt reserves:							
Commercial banks....	196		227	232	232	23	....
Mutual savings banks and savings and loans.....	82		37	85	145	221	316
Credit unions.....	82		22	50	83	123	171

**Table 2—Continued**

	Full year 1976	Calendar years					
		1978	1979	1980	1981	1982	1983
Entertainment expenses...	1, 125		1, 476	1, 633	1, 771	1, 932	2, 107
Taxable bond option (corporations).....	-24		-15	-47	-79	-113	-150
Phase-out DISC over 3 years.....	852	193	664	1, 228	1, 513	1, 613	1, 751
Phase-out deferral of tax on foreign source income...	523		88	280	768	830	897
Corporate tax rate re- duction.....	-5, 718	-1, 349	-5, 965	-8, 516	-9, 228	-10, 010	-10, 764
At risk limitation (cor- porations).....	10		14	10	8	5	6
Increase investment tax credit limit to 90 percent.	-71		-882	-576	-114	-194	-205
Extend 10 percent invest- ment tax credit to structures (corporations).	-1, 055	-1, 100	-1, 389	-1, 649	-1, 869	-2, 074	-2, 268
Nondiscrimination rule for health and group term life plans.....	29		32	33	34	35	36
Full investment tax credit for pollution abatement facilities.....	-90	-142	-93	-107	-127	-115	-144
Total individual. . .	-11, 725	-6, 114	-16, 783	-18, 516	-20, 704	-23, 442	-26, 988
Total corporate.....	-3, 849	-2, 398	-5, 704	-7, 201	-6, 659	-7, 454	-7, 905
Subtotal tax re- form.....	-15, 574	-8, 512	-22, 487	-25, 717	-27, 363	-30, 896	-34, 893
Repeal telephone excise tax.	..	-355	-1, 200	-900	-500	..	..
Reduce unemployment payroll tax rate.....	..	..	-850	-900	-950	-1, 000	-1, 050
Total.....	-15, 574	-8, 867	-24, 537	-27, 517	-28, 813	-31, 896	-35, 943

Office of the Secretary of the Treasury, Office of Tax Analysis—January 21, 1978.

Table 3

## EXPANDED INCOME AND TAX LIABILITY UNDER PRESENT LAW AND TAX PROPOSALS (PERSONAL ONLY)

(1976 LEVELS OF INCOME)

[Dollars in millions]

Expanded income class (\$000)	Number of returns (thousands)	Expanded income	Present law		Administration proposal	
			Tax liability	Effective tax rate (percent)	Tax liability	Effective tax rate (percent)
Less than 5.....	25, 474	\$57, 557	\$141	0. 2	—\$251	—0. 4
5-10.....	20, 109	149, 590	8, 227	5. 5	6, 368	4. 3
10-15.....	16, 106	201, 036	18, 071	9. 0	15, 361	7. 6
15-20.....	11, 824	205, 086	23, 009	11. 2	20, 148	9. 8
20-30.....	9, 907	237, 041	32, 778	13. 8	29, 593	12. 5
30-50.....	3, 347	124, 836	22, 017	17. 6	20, 971	16. 8
50-100.....	985	67, 484	16, 492	24. 4	16, 344	24. 2
100-200.....	198	27, 371	8, 084	29. 5	8, 261	30. 2
200 and over.....	49	21, 573	6, 476	30. 0	6, 838	31. 7
Total.....	87, 998	1, 091, 573	135, 293	12. 4	123, 633	11. 3

Office of the Secretary of the Treasury, Office of Tax Analysis—January 21, 1978.

NOTE: Details may not add to totals due to rounding.

Table 4

## INCOME TAX LIABILITIES: PRESENT LAW AND ADMINISTRATIVE PROPOSAL

(PERSONAL INCOME ONLY)

(1976 LEVELS OF INCOME)

[Dollars in millions]

Expanded income class (\$000)	Present law		Administration proposal		Tax change	
	Tax liability	Percentage distribution	Tax liability	Percentage distribution	Tax liability	Change as percent of present law tax
Less than 5.....	\$141	0. 1	—\$251	—0. 2	—\$392	—278. 0
5-10.....	8, 227	6. 1	6, 368	5. 2	—1, 859	—22. 6
10-15.....	18, 071	13. 4	15, 361	12. 4	—2, 710	—15. 0
15-20.....	23, 009	17. 0	20, 148	16. 3	—2, 861	—12. 4
20-30.....	32, 778	24. 2	29, 593	23. 9	—3, 185	—9. 7
30-50.....	22, 017	16. 3	20, 971	17. 0	—1, 046	—4. 8
50-100.....	16, 492	12. 2	16, 344	13. 2	—148	—0. 9
100-200.....	8, 084	6. 0	8, 261	6. 7	177	2. 2
200 and over.....	6, 476	4. 8	6, 838	5. 5	362	5. 6
Total.....	135, 293	100. 0	123, 633	100. 0	—11, 660	—8. 6

Office of the Secretary of the Treasury, Office of Tax Analysis—January 21, 1978.

NOTE: Details may not add to totals due to rounding.

**Table 5**

BURDEN TABLE  
SINGLE RETURNS  
(1976 LEVELS OF INCOME)

Expanded income class (\$000)	Average tax present law	Average tax under proposal	Average tax change	Percentage change
Less than 10.....	\$217	\$181	-\$36	-16.4
10-15.....	1,595	1,519	-76	-4.8
15-20.....	2,768	2,591	-177	-6.4
20-30.....	4,236	3,917	-319	-7.5
30-50.....	8,254	7,660	-594	-7.2
50-100.....	18,465	17,889	-576	-3.1
100-200.....	42,015	41,714	-301	-0.7
200 and over.....	161,723	167,760	6,037	3.7

Office of the Secretary of the Treasury, Office of Tax Analysis—January 21, 1978.

**Table 6**

BURDEN TABLE  
JOINT RETURNS  
NO DEPENDENTS  
(1976 LEVELS OF INCOME)

Expanded income class (\$000)	Average tax present law	Average tax under proposal	Average tax change	Percentage change
Less than 10.....	\$168	\$95	-\$73	-43.6
10-15.....	1,104	983	-121	-11.0
15-20.....	2,084	1,906	-178	-8.5
20-30.....	3,615	3,308	-307	-8.5
30-50.....	6,921	6,535	-386	-5.6
50-100.....	17,020	16,647	-373	-2.2
100-200.....	40,403	40,956	553	1.4
200 and over.....	132,121	137,140	5,020	3.8

Office of the Secretary of the Treasury, Office of Tax Analysis—January 21, 1978.

**Table 7**

BURDEN TABLE  
JOINT RETURNS  
ONE DEPENDENT  
(1976 LEVELS OF INCOME)

Expanded income class (\$000)	Average tax present law	Average tax under proposal	Average tax change	Percentage change
Less than 10.....	\$65	—\$38	—\$103	—157. 8
10-15.....	1, 024	824	—200	—19. 5
15-20.....	1, 922	1, 696	—226	—11. 7
20-30.....	3, 392	3, 063	—329	—9. 7
30-50.....	6, 709	6, 327	—382	—5. 7
50-100.....	16, 938	16, 625	—313	—1. 8
100-200.....	41, 993	42, 264	271	0. 6
200 and over.....	121, 583	125, 202	3, 620	3. 0

Office of the Secretary of the Treasury, Office of Tax Analysis—January 21, 1978.

**Table 8**

BURDEN TABLE  
JOINT RETURNS  
TWO DEPENDENTS  
(1976 LEVELS OF INCOME)

Expanded income class (\$000)	Average tax present law	Average tax under proposal	Average tax change	Percentage change
Less than 10.....	\$9	—\$79	—\$88	—975. 6
10-15.....	867	589	—278	—32. 1
15-20.....	1, 739	1, 461	—278	—16. 0
20-30.....	3, 117	2, 780	—337	—10. 8
30-50.....	6, 287	5, 979	—308	—4. 9
50-100.....	16, 336	16, 088	—248	—1. 5
100-200.....	40, 885	41, 087	202	0. 5
200 and over.....	127, 666	130, 473	2, 807	2. 2

Office of the Secretary of the Treasury, Office of Tax Analysis—January 21, 1978.

**Table 9**

BURDEN TABLE  
JOINT RETURNS  
THREE DEPENDENTS

(1976 LEVELS OF INCOME)

Expanded income class (\$000)	Average tax present law	Average tax under proposal	Average tax change	Percentage change
Less than 10.....	-\$41	-\$81	-\$40	-97.7
10-15.....	693	367	-326	-47.0
15-20.....	1,562	1,218	-344	-22.0
20-30.....	2,867	2,514	-353	-12.0
30-50.....	5,872	5,609	-263	-4.5
50-100.....	15,924	15,785	-139	-0.9
100-200.....	40,417	40,827	410	1.0
200 and over.....	126,915	130,397	3,483	2.7

Office of the Secretary of the Treasury, Office of Tax Analysis—January 21, 1978.

**Table 10**

INCOME TAX AND FICA TAX CHANGES  
FOUR-PERSON, ONE-EARNER FAMILIES

Wage income	Income tax <sup>1</sup>	FICA tax <sup>2</sup>	Total tax
\$5,000.....	0	\$14	\$14
\$10,000.....	-\$312	28	-284
\$15,000.....	-258	42	-216
\$20,000.....	-270	120	-150
\$25,000.....	-320	298	-22
\$30,000.....	-322	298	-24
\$40,000.....	-218	298	80
\$50,000.....	-80	298	218
\$100,000.....	590	298	888

<sup>1</sup> Assumes deductible expenses equal to 23 percent of income under present law and 20 percent under the proposal.

<sup>2</sup> Change in FICA tax calculated assuming present law rate and base for 1979 (6.13 percent and \$22,900), employees' share only and assuming prior law rate for 1977 (5.85 percent) and prior law estimated base for 1979 (\$18,900).

Table 11

## INDIVIDUAL TAX RATE SCHEDULES FOR JOINT RETURNS

Taxable income bracket <sup>1</sup>	Present law		Tax proposal	
	Tax at low end of bracket	Tax rate on income in bracket (in percent)	Tax at low end of bracket	Tax rate on income in bracket (in percent)
0-\$500.....	0	14	0	12
\$500-\$1,000.....	\$70	14	\$60	12
\$1,000-\$2,000.....	140	15	120	14
\$2,000-\$3,000.....	290	16	260	16
\$3,000-\$4,000.....	450	17	420	17
\$4,000-\$8,000.....	620	19	590	18
\$8,000-\$12,000.....	1,380	22	1,310	19
\$12,000-\$16,000.....	2,260	25	2,070	20
\$16,000-\$20,000.....	3,260	28	2,870	23
\$20,000-\$24,000.....	4,380	32	3,790	27
\$24,000-\$28,000.....	5,660	36	4,870	32
\$28,000-\$32,000.....	7,100	39	6,150	36
\$32,000-\$36,000.....	8,660	42	7,590	39
\$36,000-\$40,000.....	10,340	45	9,150	42
\$40,000-\$44,000.....	12,140	48	10,830	44
\$44,000-\$48,000.....	14,060	50	12,590	48
\$48,000-\$52,000.....	16,060	50	14,510	48
\$52,000-\$54,000.....	18,060	53	16,430	51
\$54,000-\$62,000.....	19,120	53	17,450	51
\$62,000-\$64,000.....	23,360	53	21,530	51
\$64,000-\$76,000.....	24,420	55	22,550	54
\$76,000-\$88,000.....	31,020	58	29,030	57
\$88,000-\$90,000.....	37,980	60	35,870	57
\$90,000-\$100,000.....	39,180	60	37,010	60
\$100,000-\$110,000.....	45,180	62	43,010	60
\$110,000-\$120,000.....	51,380	62	49,010	62
\$120,000-\$130,000.....	57,580	64	55,210	62
\$130,000-\$140,000.....	63,980	64	61,410	64
\$140,000-\$150,000.....	70,380	66	67,810	64
\$150,000-\$160,000.....	76,980	66	74,210	65
\$160,000-\$175,000.....	83,580	68	80,710	65
\$175,000-\$180,000.....	98,780	68	90,460	66
\$180,000-\$200,000.....	97,180	69	93,760	66
\$200,000 and over.....	110,980	70	106,960	68

Office of the Secretary of the Treasury, Office of Tax Analysis—January 21, 1978.

<sup>1</sup> The zero bracket is not shown in this table. To include the zero bracket, increase all taxable incomes shown by \$3,200.

Table 12

## INDIVIDUAL TAX RATE SCHEDULES FOR SINGLE RETURNS

Taxable income bracket <sup>1</sup>	Present law		Tax proposal	
	Tax at low end of bracket	Tax rate on income in bracket (in percent)	Tax at low end of bracket	Tax rate on income in bracket (in percent)
0-\$500.....	0	14	0	12
\$500-\$1,000.....	\$70	15	\$60	13
\$1,000-\$1,500.....	145	16	125	15
\$1,500-\$2,000.....	225	17	200	15
\$2,000-\$3,000.....	310	19	275	18
\$3,000-\$4,000.....	500	19	455	19
\$4,000-\$6,000.....	690	21	645	20
\$6,000-\$8,000.....	1,110	24	1,045	20
\$8,000-\$10,000.....	1,590	25	1,445	22
\$10,000-\$12,000.....	2,090	27	1,885	23
\$12,000-\$14,000.....	2,630	29	2,345	25
\$14,000-\$16,000.....	3,210	31	2,845	25
\$16,000-\$18,000.....	3,830	34	3,345	29
\$18,000-\$20,000.....	4,510	36	3,925	29
\$20,000-\$22,000.....	5,230	38	4,505	33
\$22,000-\$24,000.....	5,990	40	5,165	33
\$24,000-\$26,000.....	6,790	40	5,825	38
\$26,000-\$28,000.....	7,590	45	6,585	38
\$28,000-\$32,000.....	8,490	45	7,345	41
\$32,000-\$36,000.....	10,290	50	8,985	46
\$36,000-\$38,000.....	12,290	50	10,825	50
\$38,000-\$40,000.....	13,290	55	11,825	50
\$40,000-\$44,000.....	14,390	55	12,825	51
\$44,000-\$48,000.....	16,590	60	14,865	57
\$48,000-\$50,000.....	18,990	60	17,145	58
\$50,000-\$52,000.....	20,190	62	18,305	58
\$52,000-\$54,000.....	21,430	62	19,465	60
\$54,000-\$60,000.....	22,670	62	20,665	60
\$60,000-\$62,000.....	26,390	64	24,265	60
\$62,000-\$64,000.....	27,670	64	25,465	63
\$64,000-\$70,000.....	28,950	64	26,725	63
\$70,000-\$76,000.....	32,790	66	30,505	63
\$76,000-\$80,000.....	36,750	66	34,285	66
\$80,000-\$88,000.....	39,390	68	36,925	66
\$88,000-\$90,000.....	44,830	68	42,205	66
\$90,000-\$100,000.....	46,190	69	43,525	67
\$100,000 and over.....	53,090	70	50,225	68

Office of the Secretary of the Treasury, Office of Tax Analysis—January 21, 1978.

<sup>1</sup> The zero bracket is not shown in this table. To include the zero bracket, increase all taxable incomes shown by \$2,200.

NOTE: The text of the message was released on January 21.



## Budget Message

*Message to the Congress Transmitting the Fiscal Year 1979 Budget. January 20, 1978*

*To the Congress of the United States:*

The first complete budget of any new administration is its most important. It is the administration's first full statement of its priorities, policies, and proposals for meeting our national needs. Last February, after just one month in office, I submitted a revised budget to the Congress. That revision changed the direction of the prior administration's budget, but was—of necessity—based upon a review of limited scope. I promised then that future budgets would reflect detailed, zero-based reviews of Federal spending programs, reform of the tax system, and reorganization of the Government. This

budget is my first major step in meeting that promise. It reflects, I believe, a determination to face and make difficult decisions in a manner that places the common good above that of any particular interest.

This budget represents a careful balancing of several considerations:

- The importance of a fiscal policy that provides for a continuing recovery of the Nation's economy from the 1974–75 recession;
- The obligation of the Government to meet the critical needs of the Nation and its people;
- The fact that resources are limited and that Government must discipline its choices and its scope; and
- The need for careful and prudent management of the taxpayers' resources.

### THE BUDGET TOTALS

[In billions of dollars]

	1977 actual	1978 estimate	1979 estimate
Budget receipts . . . . .	357	400	440
Budget outlays . . . . .	402	462	500
Deficit (–) . . . . .	–45	–62	–61
Budget authority . . . . .	465.2	502.9	568.2

My budget provides for total outlays of \$500 billion, an increase of \$38 billion, or 8%, over the 1978 budget, and receipts of \$440 billion. This budget total is a restrained one that:

- Meets essential national needs;
- Imposes strict priorities upon Federal expenditures; and
- Decreases the share of the Nation's gross national product taken by the Federal Government from 22.6% to 22.0%.

This budget places us on a path that will permit a balanced budget in the future if the private economy continues its recovery over the coming years.

At the same time, my budget embodies a fiscal policy that will strengthen the economic recovery. I propose a progressive tax reduction of \$25 billion to help assure continued economic recovery and reduction in unemployment. An integral part of this tax reduction proposal is a set of recommendations for tax reform that

will make the tax system simpler and more equitable. Without the reduction, I would have been able to announce a decline in the deficit of \$15 to \$20 billion between 1978 and 1979. With the reduction, the budget deficit will still decline slightly, because of careful restraints on expenditures. But I judged that the most important priority this year was to reduce the burdens on taxpayers. Only in this way can we ensure a vigorous economy, a declining unemployment rate, a strong expansion of private investment, and a stable budget balance in future years.

While the expenditures I recommend in this budget are restrained, they are, nevertheless, directed toward overcoming our Nation's crucial problems. I have looked carefully at existing approaches to these problems and improved those approaches where possible. The spending priorities of the past are now being shifted toward long-neglected areas. These new priorities are based on the following judgments:

*—An effective national energy plan is essential to reduce our increasingly critical dependence upon diminishing supplies of oil and gas, to encourage conservation of scarce energy resources, to stimulate conversion to more abundant fuels, and to reduce our large trade deficit.*

The national energy plan I proposed last spring defined these goals. This budget includes the programs and initiatives designed to meet those objectives. Included are increased emphases on conservation and nonnuclear research and development, energy grants and technical assistance to States and localities, accelerated acquisition of the strategic petroleum reserve, and greater emphases on nuclear waste management. I continue in the unswerving belief that the Nation's leaders have the obligation to plan for

the future, and that the national energy plan is essential to the future health and vigor of the American economy. The United States also must take the lead in minimizing the risks of nuclear weapons proliferation as we advance nuclear power technology. Thus, this budget increases research and development funding for systems that present fewer risks than the plutonium-fueled liquid metal fast breeder reactor.

*—The essential human needs of our citizens must be given high priority.*

In the spring of 1977 I proposed a long-overdue reform of the Nation's welfare system. This reform recognizes that this is a Nation of men and women who do not wish to be wards of the Government but who want to work and to be self-sufficient. It includes a combination of employment opportunities and incentives for those who should work, and a basic income for those who cannot. This budget anticipates that Congress will pass the program for better jobs and income, and begins the process of careful planning for the implementation of an efficient and equitable system.

The budget also recognizes that ensuring the opportunity to compete and excel remains very important to our people. To give all children the healthiest possible start in life, I propose major expansion of medical care and nutritional supplements for low-income expectant mothers and infants. In addition, I propose major increases in educational assistance at all levels. Because of the continued high level of unemployment, particularly among minorities, I believe public employment programs should be continued at high levels for another year. Major increases in programs stressing employment for unemployed youth are recommended. A new effort will be mounted to place more dis-

advantaged persons in private sector jobs by increasing the involvement of the business community in local employment and training programs.

I view a workable urban strategy as an important link in a well-articulated domestic program and essential to the continuing recovery of the national economy. This budget includes increases for many programs benefiting urban areas and supports several efforts to improve these programs. I anticipate sending to the Congress early in the spring a set of further proposals dealing with the Nation's urban problems.

*—The Nation's armed forces must always stand sufficiently strong to deter aggression and to assure our security.*

My request for defense provides for the steady modernization of our strategic forces, and for substantial improvements in the combat readiness of our tactical forces. To parallel commitments made by our European allies, I am proposing significant increases in our overall defense effort, with special emphasis on those forces and capabilities most directly related to our NATO commitments. The defense budget I recommend also emphasizes modernization and research and development to meet future challenges to our security. But at the same time, I am restraining defense expenditures by introducing important efficiencies and by placing careful priorities upon our defense needs. The 1979 defense budget is prudent and tight, but consists of a real growth in outlays of 3% above the current year's budget. Consistent with campaign pledges to the American people, it is \$8 billion below the defense budget projected for 1979 by the previous administration.

*—The Federal Government has an obligation to nurture and protect our environment—the common resource, birthright and sustenance of the American people.*

This budget provides for substantially increased emphasis on protection of all our environmental resources, for new attention to our common heritage, and for substantial additions to our system of public lands. Planned use of our natural resources has been designed so that the most important of our unspoiled areas can remain forever in the hands of the people.

*—The Federal Government must lead the way in investing in the Nation's technological future.*

Shortly after taking office, I determined that investment in basic research on the part of the Federal Government had fallen far too low over the past decade. Accordingly, I directed that a careful review be undertaken of appropriate basic research opportunities. As a result of that review, this budget proposes a real rate of growth of almost 5% for basic research in 1979. I believe this emphasis is important to the continued vitality of our economy.

*This budget also reflects this administration's commitment to two important approaches to making government work more efficiently and responsively: reorganization and zero-base budgeting.*

The reorganization effort I have launched seeks more than just a streamlining of organization structure and the elimination of overlaps and duplication. It seeks to make our Government more responsive, more efficient, and more clearly focused on the most pressing needs of our society. In 1977 I proposed—and the Congress accepted—a Cabinet-level Department of Energy, a streamlined Executive Office of the President, and a consolidation of our international informa-

tion activities. In 1978 I will propose further reorganizations in such areas as the Federal Government's civil rights activities and the Federal civil service system to make it more responsive and effective.

As I promised during my campaign, zero-base budgeting system have been applied throughout the Federal Government. This budget is the product of a comprehensive zero-base review of all Federal programs, both existing and new. In reviewing each agency's proposals, I have used zero-base budget alternatives and agency rankings to compare and evaluate the many requests competing for resources. As a result of the first year's effort, we have gained a better understanding of Federal programs and have made better, more evenhanded judgments. Because of this system the budget includes dollar savings, and improvements in the way programs are operated. With experience, zero-based budgeting should be even more effective in future years.

Other significant changes in the budget process are reflected in this document. First: I have directed the Office of Management and Budget to establish a multi-year budget planning system using longer range budget projections. This will ensure that budget decisions are made with full awareness of their longer range implications. Second: we are using better techniques for estimating outlays so as to avoid the chronic "shortfalls" of recent years. Third: we have explicitly related the classification of the budget in terms of functions performed by Government programs to the national needs and agency missions served, as called for in the Congressional Budget Act of 1974.

In formulating this budget I have been made acutely aware once more of the overwhelming number of demands upon the budget and of the finite nature of our resources. Public needs are critically important; but private needs are equally

valid, and the only resources the Government has are those it collects from the taxpayer. The competition for these resources and my belief and commitment that we must firmly limit what the Government taxes and expends have led me to the premises on which my first budget is based.

- Critical national needs exist—particularly human and social ones—to which resources must be directed.
- Government resources are scarce; their use must be planned with the full awareness that they come from the earnings of workers and profits of business firms.
- The span of government is not infinite. Priorities must be set and some old priorities changed. If we are to meet adequately the most critical needs, some demands must also be deferred. Government action must be limited to those areas where its intervention is more likely to solve problems than to compound them.
- We have an obligation to manage with excellence, and to maintain proper priorities within the \$500 billion proposed in this budget. We all know that in a budget of this scale—larger than the gross national product of all but three nations in the world—there are dollars wasted and dollars misspent. These must be minimal.

These premises are unexceptionable in general, but difficult and controversial to apply. They have guided my actions in formulating this budget and they will continue to do so in the future. But to be successful I will need, and will work for, the help and cooperation of the Congress. Both the Congress and the Executive have a clear, joint interest in an approach that helps us to meet the demands of the future. In recent years the Congress has taken important steps—through the establishment of the congressional budget proc-

ess—to improve its own means of establishing priorities. This administration has worked closely with the congressional appropriations and budget committees and has found them invaluable sources of advice. We will continue in this spirit of cooperation, and I look forward to working with the Congress and its leadership to obtain adoption of my budget for fiscal year 1979.

JIMMY CARTER

January 20, 1978.

NOTE: The President's message is printed in the report entitled "The Budget of the United States Government, Fiscal Year 1979" (Government Printing Office, 506 pages), which was released on January 23.

## Secretary of State Vance's Trip to the Middle East

*White House Statement on the President's  
Meeting With Secretary Vance.  
January 23, 1978*

Secretary Vance reported this evening to the President on his trip last week to the Middle East to attend the opening sessions of the Political Committee of the Cairo Conference in Jerusalem and on his visits to Greece and Turkey this past weekend.

On the Middle East, Secretary Vance described for the President the work on a declaration of principles which would govern the negotiation of a comprehensive peace settlement in the Middle East that had begun in the Political Committee before the Egyptian delegation was withdrawn.

The Secretary expressed his judgment that, while the work of the Political Committee is temporarily suspended, the negotiating process can continue. Both the President and the Secretary have urged

that discussions between Egypt and Israel in the Security Committee of the Cairo Conference continue. They hope that these talks may resume soon. The President stressed that we are prepared to continue the exchanges with Prime Minister Begin and President Sadat that the Secretary began last week on a declaration of principles. Assistant Secretary Atherton is staying in the Middle East to be helpful in this effort.

The President and the Secretary expressed the hope that the public exchanges of recent days are now behind us and that every effort will be made to recapture the spirit that followed recent meetings between Prime Minister Begin and President Sadat and to turn full attention through quiet diplomacy to the substance of the negotiations.

Secretary Vance also reported on his brief visits to Ankara and Athens. In each place, he had extended discussions with the respective leaders on matters of bilateral cooperation and on regional and global issues of concern to us as allies. No decisions were taken in these conversations. Our ties with both countries remain strong and vital.

## United States Foreign Intelligence Activities

*Remarks on Signing Executive Order 12036.  
January 24, 1978*

THE PRESIDENT. This morning, we've gathered to sign an Executive order which makes a major stride forward in better coordination within the Intelligence Community.

One of the pleasant experiences that I've had as President is to see the profes-

sionalism and the competence of the collection and analysis and distribution of intelligence information to me and to other consumers in the Federal Government. Under Admiral Turner, this coordination has been superb. And I'm very pleased this morning, after months of work with the NSC—the National Security Council—with the Department of Defense, with Admiral Turner, the CIA, the Congress committees, particularly the Senate Intelligence Committee, to have evolved an Executive order which establishes in clear terms the responsibilities and limitations of the collection of intelligence, of counterintelligence, and also the distribution of material that hasn't been analyzed.

The Director of Central Intelligence, Admiral Turner, will be responsible for tasking or assigning tasks to all those who collect intelligence. He will also have full control of the intelligence budget and will also be responsible for the analysis of information that does come in from all sources in the foreign intelligence field.

This order also gives a great deal of additional responsibility to the Attorney General to make sure that the civil liberties and the privacy of American citizens is adequately protected and that the constitutional provisions and the laws of our Nation are carried out precisely. There's a clear description of the duties and responsibilities of all those that are involved in the collection and distribution of intelligence information.

I'm very proud of this Executive order. It will be a basis for congressional action on a charter to be written for the Intelligence Community, and I think later on, we'll have one for the FBI, as well.

Under this order, though, under counterintelligence, the duties of the FBI are also spelled out. So, this is a fairly concise, clear delineation of how the In-

telligence Community will be operating in the months ahead.

I want to express my thanks to all those that have been involved in the process. And after I sign the Executive order this morning, there will be a complete briefing for the press by the members of the NSC, the Department of Defense, the Attorney General's office, and Admiral Turner, representing the Intelligence Community.

So, I want to thank all of you standing behind me, and I will now sign the Executive order which, I think, is a major stride forward. Thank you very much.

*[At this point the President signed the Executive order.]*

Fritz, if you would come over and say a word?

VICE PRESIDENT MONDALE. I have some notes.

THE PRESIDENT. Very good. *[Laughter]*

VICE PRESIDENT MONDALE. *Mr. President, members of the Senate and House intelligence committee:*

When I served in the Senate, it was our task for some time to explore and investigate abuses by our intelligence agencies. It was not a happy job, and it disclosed not only many abuses of the civil liberties of our people but, in many ways, decisions and actions that were counterproductive to the interests of our country.

In my opinion, the most important principle that this Executive order stands for is that it demonstrates that we can fully protect our Nation and do so within the law, and not only do it within the law but do it better than under a circumstance which permits us to resort to illegality.

Underlying the abuses that we uncovered was an unexpressed but clearly evident conclusion on the part of some that we could not defend our country against her real enemies except through illegality. Once you examine that, it's true that

the only way you can effectively protect against our enemies is through legal process.

And that's what this Executive order stands for. It's a historic document. It's the first time, I think, any major nation has tried to rationalize in writing, through legislative charters, the protection of their nation from enemies, and to do so within the law.

We need the best intelligence community in the world, and we have it. And under this Executive order, it will be even better. I think what it really stands for is that the framers of our Constitution were pretty wise men after all.

THE PRESIDENT. Thank you. The chairman of the Senate Intelligence Committee this past year has been Senator Danny Inouye, who had worked very closely with us. He has done a superb job. One of the facets of this Executive order is it directs those who are involved in the Intelligence Community to share information, sometimes of a highly confidential or secret nature, with the Members of the Congress, so that there can be a joint sharing of responsibility for the collection and dissemination of intelligence information in a legal way.

Danny, I'd like to call on you to say a word.

SENATOR INOUE. Mr. President, on behalf of the committee, I wish to thank you and commend you for giving us an opportunity to participate in the drafting of this extraordinary Executive order. We concur with you that statutory charters are important. And accordingly, I'm pleased to advise you that next week, a draft charter brought about by the work of Senators Huddleston and Mathias will be introduced in the Senate, and we look forward to working with you, sir. Thank you.

THE PRESIDENT. Very fine. The new chairman of the Intelligence Committee

and one who's served long and well on the committee is Senator Birch Bayh. Birch, would you like to say just a word?

SENATOR BAYH. Mr. President, I'm looking forward to having a chance to continue the strong leadership that Senator Inouye has provided for the committee. I would like to add my commendation. This is the first time in history that the Congress has had this kind of cooperation with the executive branch. And this is the second step—I would like to remind those who are here—in which you, as President, have undertaken a landmark initiative. We met in the Rose Garden in the spring, where for the first time in history you were willing to waive your inherent authority to get involved in electronic surveillance.

So, as we move forward with the charters, I think it is important to understand that this is critical. Presidents and Congresses are mortal. We have been reminded of that rather tragically in the last few days. And it's important to put these basic protections in the bedrock law of our land.

THE PRESIDENT. Thank you. A new committee that's just been formed in the Congress this past year, certainly with my strong approval and support, has been the House Intelligence Committee. Eddie Boland is the chairman. Eddie, perhaps you'd like to say a word.

REPRESENTATIVE BOLAND. Mr. President, first of all I want to express, on behalf of all my colleagues on the House side, our appreciation at the invitation that brings us to this very significant and very meaningful occasion. I only have a couple of observations. I'm delighted to come, first of all, to find out whether or not the signatures on the letters that I get from you are genuine. [Laughter] I've seen you sign here; I know they are. [Laughter]

Then I'm delighted to see that behind us—and I think the press will recognize

this—there is no dispute within the Intelligence Community over what we're doing, either what Admiral Turner is doing or what the President is doing. Everybody is here, and everybody is happy with it.

I'm also conscious of the fact that the Senators are way ahead of us in this area and have been for some time. It's the only area in which the Senate is ahead of us, incidentally. [*Laughter*] We hope to catch up. It's going to be a difficult job. But frankly, they have led the way, and I think, perhaps, they have taken the Congress through the thickest of what this particular activity within the Congress means and its significance.

And as the Vice President has so well said and you have so well said, this Executive order is historical. It does indicate that we can operate an intelligence community within the framework of our Constitution, to protect the rights and ensure the rights of the people of our Nation. And that's exactly why we are in business.

So, Mr. President, with this Executive order, with the charter legislation that is coming out of the Senate, with the foreign surveillance intelligence legislation that has been considered by the House, is being considered by Chairman Murphy of our committee, why, we can assure you that you will find the House in cooperation with you, with the administration, and with the Senate committee.

Thank you very much for inviting us.

THE PRESIDENT. Thank you very much, Eddie. Dee Huddleston has been the chairman of the subcommittee responsible for the drafting of legislation precedent to the actual evolution of the charter which will be part of our Nation's laws.

Senator Huddleston has worked very closely with me and others in the basic premises included in the Executive order. This is a good basis. We all recognized

that the Intelligence Community has to have some degree of flexibility. And there are a few directives that will not be included in this Executive order because of their highly confidential nature, but all those are being shared and will be shared with the Senate and the House committees. We are very proud of the relationship that we have.

SENATOR HUDDLESTON. Well, thank you, Mr. President. I certainly want to express my appreciation and that of our subcommittee to you and your entire staff for the cooperation and help you've given. I doubt if there has been an Executive order in recent years, maybe never, that has had as much congressional input as this particular one.

And I have to say that Bill Miller and Elliott Maxwell on our committee staff have done a tremendous job in providing us with the input that we've been able to make. I think this certainly is an appropriate interim step between where we have been in our intelligence operations and the control and accountability and authority that's been exercised there and where we all know that we want to go; and that is, with legislative, statutory charters setting out the missions, the accountability, the authorities of all of our intelligence agencies.

Uppermost in our mind, Mr. President—and I, too, along with Vice President Mondale, went through the so-called Church committee's investigative period—in spite of the abuses that we saw revealed, I think our major objective still, as we protect the rights and privileges of our citizens, is to provide the machinery under which the United States of America can have the best, most efficient, most effective intelligence apparatus in the world. That's what we are going to work toward. As our chairman has indicated, we're prepared now, and



certainly will be by the end of next week, to introduce legislation, our first piece of legislation relating to the charters. We see that as a starting point.

The long period of time it took to bring this into being, I think, demonstrates the very complex and difficult problems that we are faced with. So, I'm sure we're going to have the same kind of cooperation between the Intelligence Community and the executive that we've had previously. And I believe that we can develop the kind of charters that will bring about the assurances that all of us want.

Thank you, sir, very much.

THE PRESIDENT. Thank you. Senator Huddleston said that never before in history has an Executive order by the President had so much congressional input. I doubt if ever before in history an Executive order has had so much input from the President. *[Laughter]* I have sent it back three or four times to be redrafted so I could understand it. *[Laughter]* I think now it's in very good shape.

I'd like to call on Congressman Murphy. He has the same responsibility in the House as Dee Huddleston does in the Senate, the drafting of a new charter.

REPRESENTATIVE MURPHY. Thank you, Mr. President. On behalf of the committee, I'd like to congratulate you, Mr. President, on keeping your promise that you made during your campaign that you would bring the intelligence agencies into some meaningful order under this Executive order. I'd also like to thank Attorney General Bell and his staff.

We have already begun our work on the national surveillance act. And as my chairman, Mr. Boland, has reminded us, we are behind. I think that's an admonishment to me. We will catch up.

Thank you, sir.

THE PRESIDENT. Thank you. I wanted to call on, also, Senator Mathias, who's been a great help to us. Senator Goldwater has been the vice chairman of the committee for a long time. He's not here today.

SENATOR MATHIAS. Mr. President, as I stood here this morning, I thought a little bit about the advice of Speaker Reed, who defined the duties of the minority as to draw your pay and help make a quorum. *[Laughter]* I want to assure you that the minority in this case is going to do more than that, that we're going to work very hard on this statutory charter and to try to develop in the spirit in which you have started us out this morning.

I think it needs to be said that we want it to be not only an effective instrument which provides us with the best intelligence and that we want it to provide the kind of restraints which ensure the rule of law in our country, but we also want it to be a shield for the men and women who devote their lives to the intelligence services and to give them the kind of guidance within which they can develop their own careers.

Thank you very much, Mr. President.

REPRESENTATIVE WILSON. I'm again the minority on our side, but we are very much interested in this Executive order. I commend you for having taken all of the different intelligence responsibilities from various agencies and putting them under one executive head, which has been one of the problems we have seen in the past. And I predict that we'll come along and support you continuously in the future.

Thank you very much.

THE PRESIDENT. I want to say I won't call anyone else from the executive branch, because you will be getting a briefing in detail from the National Security Council, Department of Defense, the

DCI, which is the Director of Central Intelligence, and also the Attorney General.

But in closing, let me remind the group once again of what I said at the beginning: One of the most professional and competent organizations with which I have ever dealt has been the Intelligence Community. It consists of several thousand highly professional, dedicated American people whose knowledge and experience stands as a bulwark in protecting the security of our Nation.

And although there have been problems in the past, probably because of an absence of a clear directive about delineations of responsibility, I think that this has quite often obscured the sacrificial work that these good men and women have done.

Again, I want to express my complete appreciation and confidence in Admiral Stan Turner, whose responsibilities under this Executive order will be greatly magnified. He's worked very closely with the Attorney General and with the Secretary of Defense. During normal peacetime, which I hope will prevail throughout all of our lifetime, he will have the responsibilities that I outlined.

In case of a conflict or extreme national emergency, under the Executive order, the President has the authority to shift part of that responsibility to the Secretary of Defense to defend our Nation in time of war. But that will be done in a very careful, preplanned way. And the present interrelationship that exists today, to be enhanced by the Executive order, between Defense, Justice, and intelligence, is very clearly defined and is a harmonious working relationship.

This could not have been possible without a great deal of consultation and a close cooperation and, I think, a mutual purpose that was recognized by everyone.

I think this is a major step forward. I'm very deeply grateful to all of you.

Thank you very much.

NOTE: The President spoke at 11:45 a.m. at the signing ceremony in the Cabinet Room at the White House.

## United States Foreign Intelligence Activities

*Executive Order 12036. January 24, 1978*

### UNITED STATES INTELLIGENCE ACTIVITIES

By virtue of the authority vested in me by the Constitution and statutes of the United States of America including the National Security Act of 1947, as amended, and as President of the United States of America, in order to provide for the organization and control of United States foreign intelligence activities, it is hereby ordered as follows:

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\*Certain technical terms are defined in Section 4-2.

ing out responsibilities assigned in this Order, shall be chaired by the Director of Central Intelligence and composed of the Vice President, the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the Assistant to the President for National Security Affairs, and the Chairman of the Joint Chiefs of Staff, or their designees, and other senior officials, as appropriate.

1-202. *Duties.* The PRC shall:

(a) Establish requirements and priorities for national foreign intelligence;

(b) Review the National Foreign Intelligence Program and budget proposals and report to the President as to whether the resource allocations for intelligence capabilities are responsive to the intelligence requirements of the members of the NSC.

(c) Conduct periodic reviews of national foreign intelligence products, evaluate the quality of the intelligence product, develop policy guidance to ensure quality intelligence and to meet changing intelligence requirements; and

(d) Submit an annual report on its activities to the NSC.

1-203. *Appeals.* Recommendations of the PRC on intelligence matters may be appealed to the President or the NSC by any member of the PRC.

1-3. *NSC Special Coordination Committee.*

1-301. *Membership.* The NSC Special Coordination Committee (SCC) is chaired by the Assistant to the President for National Security Affairs and its membership includes the statutory members of the NSC and other senior officials, as appropriate.

1-302. *Special Activities.* The SCC shall consider and submit to the President a policy recommendation, including all dissents, on each special activity. When meeting for this purpose, the members of

the SCC shall include the Secretary of State, the Secretary of Defense, the Attorney General, the Director of the Office of Management and Budget, the Assistant to the President for National Security Affairs, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence.

1-303. *Sensitive Foreign Intelligence Collection Operations.* Under standards established by the President, proposals for sensitive foreign intelligence collection operations shall be reported to the Chairman by the Director of Central Intelligence for appropriate review and approval. When meeting for the purpose of reviewing proposals for sensitive foreign intelligence collection operations, the members of the SCC shall include the Secretary of State, the Secretary of Defense, the Attorney General, the Assistant to the President for National Security Affairs, the Director of Central Intelligence, and such other members designated by the Chairman to ensure proper consideration of these operations.

1-304. *Counterintelligence.* The SCC shall develop policy with respect to the conduct of counterintelligence activities. When meeting for this purpose the members of the SCC shall include the Secretary of State, the Secretary of Defense, the Attorney General, the Director of the Office of Management and Budget, the Assistant to the President for National Security Affairs, the Chairman of the Joint Chiefs of Staff, the Director of Central Intelligence, and the Director of the FBI. The SCC's counterintelligence functions shall include:

(a) Developing standards and doctrine for the counterintelligence activities of the United States;

(b) Resolving interagency differences concerning implementation of counterintelligence policy;

(c) Developing and monitoring guidelines consistent with this Order for the maintenance of central records of counterintelligence information;

(d) Submitting to the President an overall annual assessment of the relative threat to United States interests from intelligence and security services of foreign powers and from international terrorist activities, including an assessment of the effectiveness of the United States counterintelligence activities; and

(e) Approving counterintelligence activities which, under such standards as may be established by the President, require SCC approval.

1-305. *Required Membership.* The SCC shall discharge the responsibilities assigned by sections 1-302 through 1-304 only after consideration in a meeting at which all designated members are present or, in unusual circumstances when any such member is unavailable, when a designated representative of the member attends.

1-306. *Additional Duties.* The SCC shall also:

(a) Conduct an annual review of ongoing special activities and sensitive national foreign intelligence collection operations and report thereon to the NSC; and

(b) Carry out such other coordination and review activities as the President may direct.

1-307. *Appeals.* Any member of the SCC may appeal any decision to the President or the NSC.

#### 1-4. *National Foreign Intelligence Board.*

1-401. *Establishment and Duties.* There is established a National Foreign Intelligence Board (NFIB) to advise the Director of Central Intelligence concerning:

(a) Production, review, and coordination of national foreign intelligence;

(b) The National Foreign Intelligence Program budget;

(c) Interagency exchanges of foreign intelligence information;

(d) Arrangements with foreign governments on intelligence matters;

(e) The protection of intelligence sources and methods;

(f) Activities of common concern; and

(g) Other matters referred to it by the Director of Central Intelligence.

1-402. *Membership.* The NFIB shall be chaired by the Director of Central Intelligence and shall include other appropriate officers of the CIA, the Office of the Director of Central Intelligence, the Department of State, the Department of Defense, the Department of Justice, the Department of the Treasury, the Department of Energy, the Defense Intelligence Agency, the offices within the Department of Defense for reconnaissance programs, the National Security Agency and the FBI. A representative of the Assistant to the President for National Security Affairs may attend meetings of the NFIB as an observer.

1-403. *Restricted Membership and Observers.* When the NFIB meets for the purpose of section 1-401(a), it shall be composed solely of the senior intelligence officers of the designated agencies. The senior intelligence officers of the Army, Navy and Air Force may attend all meetings of the NFIB as observers.

#### 1-5. *National Intelligence Tasking Center.*

1-501. *Establishment.* There is established a National Intelligence Tasking Center (NITC) under the direction, control and management of the Director of Central Intelligence for coordinating and tasking national foreign intelligence collection activities. The NITC shall be staffed jointly by civilian and military personnel including designated representa-

tives of the chiefs of each of the Department of Defense intelligence organizations engaged in national foreign intelligence activities. Other agencies within the Intelligence Community may also designate representatives.

1-502. *Responsibilities.* The NITC shall be the central mechanism by which the Director of Central Intelligence:

(a) Translates national foreign intelligence requirements and priorities developed by the PRC into specific collection objectives and targets for the Intelligence Community;

(b) Assigns targets and objectives to national foreign intelligence collection organizations and systems;

(c) Ensures the timely dissemination and exploitation of data for national foreign intelligence purposes gathered by national foreign intelligence collection means, and ensures the resulting intelligence flow is routed immediately to relevant components and commands;

(d) Provides advisory tasking concerning collection of national foreign intelligence to departments and agencies having information collection capabilities or intelligence assets that are not a part of the National Foreign Intelligence Program. Particular emphasis shall be placed on increasing the contribution of departments or agencies to the collection of information through overt means.

1-503. *Resolution of Conflicts.* The NITC shall have the authority to resolve conflicts of priority. Any PRC member may appeal such a resolution to the PRC; pending the PRC's decision, the tasking remains in effect.

1-504. *Transfer of Authority.* All responsibilities and authorities of the Director of Central Intelligence concerning the NITC shall be transferred to the Secretary of Defense upon the express direction of the President. To maintain readiness

for such transfer, the Secretary of Defense shall, with advance agreement of the Director of Central Intelligence, assume temporarily during regular practice exercises all responsibilities and authorities of the Director of Central Intelligence concerning the NITC.

1-6. *The Director of Central Intelligence.*

1-601. *Duties.* The Director of Central Intelligence shall be responsible directly to the NSC and, in addition to the duties specified elsewhere in this Order, shall:

(a) Act as the primary adviser to the President and the NSC on national foreign intelligence and provide the President and other officials in the Executive Branch with national foreign intelligence;

(b) Be the head of the CIA and of such staff elements as may be required for discharge of the Director's Intelligence Community responsibilities;

(c) Act, in appropriate consultation with the departments and agencies, as the Intelligence Community's principal spokesperson to the Congress, the news media and the public, and facilitate the use of national foreign intelligence products by the Congress in a secure manner;

(d) Develop, consistent with the requirements and priorities established by the PRC, such objectives and guidance for the Intelligence Community as will enhance capabilities for responding to expected future needs for national foreign intelligence;

(e) Promote the development and maintenance of services of common concern by designated foreign intelligence organizations on behalf of the Intelligence Community;

(f) Ensure implementation of special activities;

(g) Formulate policies concerning intelligence arrangements with foreign governments, and coordinate intelligence relationships between agencies of the Intel-

ligence Community and the intelligence or internal security services of foreign governments;

(h) Conduct a program to protect against overclassification of foreign intelligence information;

(i) Ensure the establishment by the Intelligence Community of common security and access standards for managing and handling foreign intelligence systems, information and products;

(j) Participate in the development of procedures required to be approved by the Attorney General governing the conduct of intelligence activities;

(k) Establish uniform criteria for the determination of relative priorities for the transmission of critical national foreign intelligence, and advise the Secretary of Defense concerning the communications requirements of the Intelligence Community for the transmission of such intelligence;

(l) Provide appropriate intelligence to departments and agencies not within the Intelligence Community; and

(m) Establish appropriate committees or other advisory groups to assist in the execution of the foregoing responsibilities.

1-602. *National Foreign Intelligence Program Budget.* The Director of Central Intelligence shall, to the extent consistent with applicable law, have full and exclusive authority for approval of the National Foreign Intelligence Program budget submitted to the President. Pursuant to this authority:

(a) The Director of Central Intelligence shall provide guidance for program and budget development to program managers and heads of component activities and to department and agency heads;

(b) The heads of departments and agencies involved in the National Foreign Intelligence Program shall ensure timely

development and submission to the Director of Central Intelligence of proposed national programs and budgets in the format designated by the Director of Central Intelligence, by the program managers and heads of component activities, and shall also ensure that the Director of Central Intelligence is provided, in a timely and responsive manner, all information necessary to perform the Director's program and budget responsibilities;

(c) The Director of Central Intelligence shall review and evaluate the national program and budget submissions and, with the advice of the NFIB and the departments and agencies concerned, develop the consolidated National Foreign Intelligence Program budget and present it to the President through the Office of Management and Budget;

(d) The Director of Central Intelligence shall present and justify the National Foreign Intelligence Program budget to the Congress;

(e) The heads of the departments and agencies shall, in consultation with the Director of Central Intelligence, establish rates of obligation for appropriated funds;

(f) The Director of Central Intelligence shall have full and exclusive authority for reprogramming National Foreign Intelligence Program funds, in accord with guidelines established by the Office of Management and Budget, but shall do so only after consultation with the head of the department affected and appropriate consultation with the Congress;

(g) The departments and agencies may appeal to the President decisions by the Director of Central Intelligence on budget or reprogramming matters of the National Foreign Intelligence Program.

(h) The Director of Central Intelligence shall monitor National Foreign In-

telligence Program implementation and may conduct program and performance audits and evaluations.

1-603. *Responsibility For National Foreign Intelligence.* The Director of Central Intelligence shall have full responsibility for production and dissemination of national foreign intelligence and have authority to levy analytic tasks on departmental intelligence production organizations, in consultation with those organizations. In doing so, the Director of Central Intelligence shall ensure that diverse points of view are considered fully and that differences of judgment within the Intelligence Community are brought to the attention of national policymakers.

1-604. *Protection of Sources, Methods and Procedures.* The Director of Central Intelligence shall ensure that programs are developed which protect intelligence sources, methods and analytical procedures, provided that this responsibility shall be limited within the United States to:

(a) Using lawful means to protect against disclosure by present or former employees of the CIA or the Office of the Director of Central Intelligence, or by persons or organizations presently or formerly under contract with such entities; and

(b) Providing policy, guidance and technical assistance to departments and agencies regarding protection of intelligence information, including information that may reveal intelligence sources and methods.

1-605. *Responsibility of Executive Branch Agencies.* The heads of all Executive Branch departments and agencies shall, in accordance with law and relevant Attorney General procedures, give the Director of Central Intelligence access to all information relevant to the national intelligence needs of the United

States and shall give due consideration to requests from the Director of Central Intelligence for appropriate support for CIA activities.

1-606. *Access to CIA Intelligence.* The Director of Central Intelligence, shall, in accordance with law and relevant Attorney General procedures, give the heads of the departments and agencies access to all intelligence, developed by the CIA or the staff elements of the office of the Director of Central Intelligence, relevant to the national intelligence needs of the departments and agencies.

1-7. *Senior Officials of the Intelligence Community.* The senior officials of each of the agencies within the Intelligence Community shall:

1-701. Ensure that all activities of their agencies are carried out in accordance with applicable law;

1-702. Make use of the capabilities of other agencies within the Intelligence Community in order to achieve efficiency and mutual assistance;

1-703. Contribute in their areas of responsibility to the national foreign intelligence products;

1-704. Establish internal policies and guidelines governing employee conduct and ensure that such are made known to each employee;

1-705. Provide for strong, independent, internal means to identify, inspect, and report on unlawful or improper activity;

1-706. Report to the Attorney General evidence of possible violations of federal criminal law by an employee of their department or agency, and report to the Attorney General evidence of possible violations by any other person of those federal criminal laws specified in guidelines adopted by the Attorney General;

1-707. In any case involving serious or continuing breaches of security, recommend to the Attorney General that the



case be referred to the FBI for further investigation;

1-708. Furnish the Director of Central Intelligence, the PRC and the SCC, in accordance with applicable law and Attorney General procedures, the information required for the performance of their respective duties;

1-709. Report to the Intelligence Oversight Board, and keep the Director of Central Intelligence appropriately informed, concerning any intelligence activities of their organizations which raise questions of legality or propriety;

1-710. Protect intelligence and intelligence sources and methods consistent with guidance from the Director of Central Intelligence and the NSC;

1-711. Disseminate intelligence to cooperating foreign governments under arrangements established or agreed to by the Director of Central Intelligence;

1-712. Execute programs to protect against overclassification of foreign intelligence;

1-713. Instruct their employees to cooperate fully with the Intelligence Oversight Board; and

1-714. Ensure that the Inspectors General and General Counsel of their agencies have access to any information necessary to perform their duties assigned by this Order.

1-8. *The Central Intelligence Agency.* All duties and responsibilities of the CIA shall be related to the intelligence functions set out below. As authorized by the National Security Act of 1947, as amended, the CIA Act of 1949, as amended, and other laws, regulations and directives, the CIA, under the direction of the NSC, shall:

1-801. Collect foreign intelligence, including information not otherwise obtainable, and develop, conduct, or provide support for technical and other programs

which collect national foreign intelligence. The collection of information within the United States shall be coordinated with the FBI as required by procedures agreed upon by the Director of Central Intelligence and the Attorney General;

1-802. Produce and disseminate foreign intelligence relating to the national security, including foreign political, economic, scientific, technical, military, geographic and sociological intelligence to meet the needs of the President, the NSC, and other elements of the United States Government;

1-803. Collect, produce and disseminate intelligence on foreign aspects of narcotics production and trafficking;

1-804. Conduct counterintelligence activities outside the United States and coordinate counterintelligence activities conducted outside the United States by other agencies within the Intelligence Community;

1-805. Without assuming or performing any internal security functions, conduct counterintelligence activities within the United States, but only in coordination with the FBI and subject to the approval of the Attorney General;

1-806. Produce and disseminate counterintelligence studies and reports;

1-807. Coordinate the collection outside the United States of intelligence information not otherwise obtainable;

1-808. Conduct special activities approved by the President and carry out such activities consistent with applicable law;

1-809. Conduct services of common concern for the Intelligence Community as directed by the NSC;

1-810. Carry out or contract for research, development and procurement of technical systems and devices relating to authorized functions;

1-811. Protect the security of its installations, activities, information and

personnel by appropriate means, including such investigations of applicants, employees, contractors, and other persons with similar associations with the CIA as are necessary;

1-812. Conduct such administrative and technical support activities within and outside the United States as are necessary to perform the functions described in sections 1-801 through 1-811 above, including procurement and essential cover and proprietary arrangements;

1-813. Provide legal and legislative services and other administrative support to the Office of the Director of Central Intelligence.

1-9. *The Department of State.* The Secretary of State shall:

1-901. Overtly collect foreign political, sociological, economic, scientific, technical, political-military and associated biographic information;

1-902. Produce and disseminate foreign intelligence relating to United States foreign policy as required for the execution of the Secretary's responsibilities;

1-903. Disseminate, as appropriate, reports received from United States diplomatic and consular posts abroad;

1-904. Coordinate with the Director of Central Intelligence to ensure that national foreign intelligence activities are useful to and consistent with United States foreign policy;

1-905. Transmit reporting requirements of the Intelligence Community to the Chiefs of United States Missions abroad; and

1-906. Support Chiefs of Mission in discharging their statutory responsibilities for direction and coordination of mission activities.

1-10. *The Department of the Treasury.* The Secretary of the Treasury shall:

1-1001. Overtly collect foreign financial and monetary information;

1-1002. Participate with the Department of State in the overt collection of general foreign economic information;

1-1003. Produce and disseminate foreign intelligence relating to United States economic policy as required for the execution of the Secretary's responsibilities; and

1-1004. Conduct, through the United States Secret Service, activities to determine the existence and capability of surveillance equipment being used against the President of the United States, the Executive Office of the President, and, as authorized by the Secretary of the Treasury or the President, other Secret Service protectees and United States officials. No information shall be acquired intentionally through such activities except to protect against such surveillance, and those activities shall be conducted pursuant to procedures agreed upon by the Secretary of the Treasury and the Attorney General.

1-11. *The Department of Defense.* The Secretary of Defense shall:

1-1101. Collect national foreign intelligence and be responsive to collection tasking by the NITC;

1-1102. Collect, produce and disseminate foreign military and military-related intelligence information, including scientific, technical, political, geographic and economic information as required for execution of the Secretary's responsibilities;

1-1103. Conduct programs and missions necessary to fulfill national and tactical foreign intelligence requirements;

1-1104. Conduct counterintelligence activities in support of Department of Defense components outside the United States in coordination with the CIA, and within the United States in coordination with the FBI pursuant to procedures agreed upon by the Secretary of Defense

and the Attorney General, and produce and disseminate counterintelligence studies and reports;

1-1105. Direct, operate, control and provide fiscal management for the National Security Agency and for defense and military intelligence and national reconnaissance entities;

1-1106. Conduct, as the executive agent of the United States Government, signals intelligence and communications security activities, except as otherwise directed by the NSC;

1-1107. Provide for the timely transmission of critical intelligence, as defined by the Director of Central Intelligence, within the United States Government;

1-1108. Review budget data and information on Department of Defense programs within the National Foreign Intelligence Program and review budgets submitted by program managers to the Director of Central Intelligence to ensure the appropriate relationship of the National Foreign Intelligence Program elements to the other elements of the Defense program;

1-1109. Monitor, evaluate and conduct performance audits of Department of Defense intelligence programs;

1-1110. Carry out or contract for research, development and procurement of technical systems and devices relating to authorized intelligence functions;

1-1111. Together with the Director of Central Intelligence, ensure that there is no unnecessary overlap between national foreign intelligence programs and Department of Defense intelligence programs and provide the Director of Central Intelligence all information necessary for this purpose;

1-1112. Protect the security of Department of Defense installations, activities, information and personnel by appro-

priate means including such investigations of applicants, employees, contractors and other persons with similar associations with the Department of Defense as are necessary; and

1-1113. Conduct such administrative and technical support activities within and outside the United States as are necessary to perform the functions described in sections 1-1101 through 1-1112 above.

1-12. *Intelligence Components Utilized by the Secretary of Defense.* In carrying out the responsibilities assigned in sections 1-1101 through 1-1113, the Secretary of Defense is authorized to utilize the following:

1-1201. *Defense Intelligence Agency*, whose responsibilities shall include:

(a) Production or, through tasking and coordination, provision of military and military-related intelligence for the Secretary of Defense, the Joint Chiefs of Staff, other Defense components, and, as appropriate, non-Defense agencies;

(b) Provision of military intelligence for national foreign intelligence products;

(c) Coordination of all Department of Defense intelligence collection requirements for departmental needs;

(d) Management of the Defense Attache system; and

(e) Provision of foreign intelligence and counterintelligence staff support as directed by the Joint Chiefs of Staff.

1-1202. *National Security Agency (NSA)*, whose responsibilities shall include:

(a) Establishment and operation of an effective unified organization for signals intelligence activities, except for the delegation of operational control over certain operations that are conducted through other elements of the Intelligence Community. No other department or

agency may engage in signals intelligence activities except pursuant to a delegation by the Secretary of Defense;

(b) Control of signals intelligence collection and processing activities, including assignment of resources to an appropriate agent for such periods and tasks as required for the direct support of military commanders;

(c) Collection of signals intelligence information for national foreign intelligence purposes in accordance with tasking by the NITC;

(d) Processing of signals intelligence data for national foreign intelligence purposes consistent with standards for timeliness established by the Director of Central Intelligence;

(e) Dissemination of signals intelligence information for national foreign intelligence purposes to authorized elements of the Government, including the military services, in accordance with guidance from the NITC;

(f) Collection, processing, and dissemination of signals intelligence information for counterintelligence purposes;

(g) Provision of signals intelligence support for the conduct of military operations in accordance with tasking, priorities and standards of timeliness assigned by the Secretary of Defense. If provision of such support requires use of national collection systems, these systems will be tasked within existing guidance from the Director of Central Intelligence;

(h) Executing the responsibilities of the Secretary of Defense as executive agent for the communications security of the United States Government;

(i) Conduct of research and development to meet needs of the United States

for signals intelligence and communications security;

(j) Protection of the security of its installations, activities, information and personnel by appropriate means including such investigations of applicants, employees, contractors and other persons with similar associations with the NSA as are necessary; and

(k) Prescribing, within its field of authorized operations, security regulations covering operating practices, including the transmission, handling and distribution of signals intelligence and communications security material within and among the elements under control of the Director of the NSA, and exercising the necessary supervisory control to ensure compliance with the regulations.

1-1203. *Offices for the collection of specialized intelligence through reconnaissance programs*, whose responsibilities shall include:

(a) Carrying out consolidated reconnaissance programs for specialized intelligence;

(b) Responding to tasking through the NITC; and

(c) Delegating authority to the various departments and agencies for research, development, procurement, and operation of designated means of collection.

1-1204. *The foreign intelligence and counterintelligence elements of the military services*, whose responsibilities shall include:

(a) Collection, production and dissemination of military-related foreign intelligence, including information on indications and warnings, foreign capabilities, plans and weapons systems, scientific and technical developments and narcotics production and trafficking. When collection is conducted in response to national

foreign intelligence requirements, it will be tasked by the NITC. Collection of national foreign intelligence, not otherwise obtainable, outside the United States shall be coordinated with the CIA, and such collection within the United States shall be coordinated with the FBI;

(b) Conduct of counterintelligence activities outside the United States in coordination with the CIA, and within the United States in coordination with the FBI, and production and dissemination of counterintelligence studies or reports; and

(c) Monitoring of the development, procurement and management of tactical intelligence systems and equipment and conducting related research, development, and test and evaluation activities.

1-1205. *Other offices within the Department of Defense* appropriate for conduct of the intelligence missions and responsibilities assigned to the Secretary of Defense. If such other offices are used for intelligence purposes, the provisions of Sections 2-101 through 2-309 of this Order shall apply to those offices when used for those purposes.

1-13. *The Department of Energy.* The Secretary of Energy shall:

1-1301. Participate with the Department of State in overtly collecting political, economic and technical information with respect to foreign energy matters;

1-1302. Produce and disseminate foreign intelligence necessary for the Secretary's responsibilities;

1-1303. Participate in formulating intelligence collection and analysis requirements where the special expert capability of the Department can contribute; and

1-1304. Provide expert technical, analytical and research capability to other agencies within the Intelligence Community.

1-14. *The Federal Bureau of Investigation.* Under the supervision of the Attorney General and pursuant to such regulations as the Attorney General may establish, the Director of the FBI shall:

1-1401. Within the United States conduct counterintelligence and coordinate counterintelligence activities of other agencies within the Intelligence Community. When a counterintelligence activity of the FBI involves military or civilian personnel of the Department of Defense, the FBI shall coordinate with the Department of Defense;

1-1402. Conduct counterintelligence activities outside the United States in coordination with the CIA, subject to the approval of the Director of Central Intelligence;

1-1403. Conduct within the United States, when requested by officials of the Intelligence Community designated by the President, lawful activities undertaken to collect foreign intelligence or support foreign intelligence collection requirements of other agencies within the Intelligence Community;

1-1404. Produce and disseminate foreign intelligence, counterintelligence and counterintelligence studies and reports; and

1-1405. Carry out or contract for research, development and procurement of technical systems and devices relating to the functions authorized above.

1-15. *The Drug Enforcement Administration.* Under the supervision of the Attorney General and pursuant to such regulations as the Attorney General may establish, the Administrator of DEA shall:

1-1501. Collect, produce and disseminate intelligence on the foreign and domestic aspects of narcotics production and trafficking in coordination with other agencies with responsibilities in these areas;

1-1502. Participate with the Department of State in the overt collection of general foreign political, economic and agricultural information relating to narcotics production and trafficking; and

1-1503. Coordinate with the Director of Central Intelligence to ensure that the foreign narcotics intelligence activities of DEA are consistent with other foreign intelligence programs.

## SECTION 2

### RESTRICTIONS ON INTELLIGENCE ACTIVITIES

#### 2-1. *Adherence to Law.*

2-101. *Purpose.* Information about the capabilities, intentions and activities of foreign powers, organizations, or persons and their agents is essential to informed decision-making in the areas of national defense and foreign relations. The measures employed to acquire such information should be responsive to legitimate governmental needs and must be conducted in a manner that preserves and respects established concepts of privacy and civil liberties.

2-102. *Principles of Interpretation.* Sections 2-201 through 2-309 set forth limitations which, in addition to other applicable laws, are intended to achieve the proper balance between protection of individual rights and acquisition of essential information. Those sections do not authorize any activity not authorized by sections 1-101 through 1-1503 and do not provide any exemption from any other law.

#### 2-2. *Restrictions on Certain Collection Techniques.*

##### 2-201. *General Provisions.*

(a) The activities described in Sections 2-202 through 2-208 shall be undertaken only as permitted by this Order and by procedures established by the head of the

agency concerned and approved by the Attorney General. Those procedures shall protect constitutional rights and privacy, ensure that information is gathered by the least intrusive means possible, and limit use of such information to lawful governmental purposes.

(b) Activities described in sections 2-202 through 2-205 for which a warrant would be required if undertaken for law enforcement rather than intelligence purposes shall not be undertaken against a United States person without a judicial warrant, unless the President has authorized the type of activity involved and the Attorney General has both approved the particular activity and determined that there is probable cause to believe that the United States person is an agent of a foreign power.

2-202. *Electronic Surveillance.* The CIA may not engage in any electronic surveillance within the United States. No agency within the Intelligence Community shall engage in any electronic surveillance directed against a United States person abroad or designed to intercept a communication sent from, or intended for receipt within, the United States except as permitted by the procedures established pursuant to section 2-201. Training of personnel by agencies in the Intelligence Community in the use of electronic communications equipment, testing by such agencies of such equipment, and the use of measures to determine the existence and capability of electronic surveillance equipment being used unlawfully shall not be prohibited and shall also be governed by such procedures. Such activities shall be limited in scope and duration to those necessary to carry out the training, testing or countermeasures purpose. No information derived from communications intercepted in the course of such training, testing or use of counter-

measures may be retained or used for any other purpose.

2-203. *Television Cameras and Other Monitoring.* No agency within the Intelligence Community shall use any electronic or mechanical device surreptitiously and continuously to monitor any person within the United States, or any United States person abroad, except as permitted by the procedures established pursuant to Section 2-201.

2-204. *Physical Searches.* No agency within the Intelligence Community except the FBI may conduct any unconsented physical searches within the United States. All such searches conducted by the FBI, as well as all such searches conducted by any agency within the Intelligence Community outside the United States and directed against United States persons, shall be undertaken only as permitted by procedures established pursuant to Section 2-201.

2-205 *Mail Surveillance.* No agency within the Intelligence Community shall open mail or examine envelopes in United States postal channels, except in accordance with applicable statutes and regulations. No agency within the Intelligence Community shall open mail of a United States person abroad except as permitted by procedures established pursuant to Section 2-201.

2-206. *Physical Surveillance.* The FBI may conduct physical surveillance directed against United States persons or others only in the course of a lawful investigation. Other agencies within the Intelligence Community may not undertake any physical surveillance directed against a United States person unless:

(a) The surveillance is conducted outside the United States and the person being surveilled is reasonably believed to be acting on behalf of a foreign power, engaging in international terrorist activities,

or engaging in narcotics production or trafficking;

(b) The surveillance is conducted solely for the purpose of identifying a person who is in contact with someone who is the subject of a foreign intelligence or counterintelligence investigation; or

(c) That person is being surveilled for the purpose of protecting foreign intelligence and counterintelligence sources and methods from unauthorized disclosure or is the subject of a lawful counterintelligence, personnel, physical or communications security investigation.

(d) No surveillance under paragraph (c) of this section may be conducted within the United States unless the person being surveilled is a present employee, intelligence agency contractor or employee of such a contractor, or is a military person employed by a non-intelligence element of a military service. Outside the United States such surveillance may also be conducted against a former employee, intelligence agency contractor or employee of a contractor or a civilian person employed by a non-intelligence element of an agency within the Intelligence Community. A person who is in contact with such a present or former employee or contractor may also be surveilled, but only to the extent necessary to identify that person.

2-207. *Undisclosed Participation in Domestic Organizations.* No employees may join, or otherwise participate in, any organization within the United States on behalf of any agency within the Intelligence Community without disclosing their intelligence affiliation to appropriate officials of the organization, except as permitted by procedures established pursuant to Section 2-201. Such procedures shall provide for disclosure of such affiliation in all cases unless the agency head or

a designee approved by the Attorney General finds that non-disclosure is essential to achieving lawful purposes, and that finding is subject to review by the Attorney General. Those procedures shall further limit undisclosed participation to cases where:

(a) The participation is undertaken on behalf of the FBI in the course of a lawful investigation;

(b) The organization concerned is composed primarily of individuals who are not United States persons and is reasonably believed to be acting on behalf of a foreign power; or

(c) The participation is strictly limited in its nature, scope and duration to that necessary for other lawful purposes relating to foreign intelligence and is a type of participation approved by the Attorney General and set forth in a public document. No such participation may be undertaken for the purpose of influencing the activity of the organization or its members.

2-208. *Collection of Nonpublicly Available Information.* No agency within the Intelligence Community may collect, disseminate or store information concerning the activities of United States persons that is not available publicly, unless it does so with their consent or as permitted by procedures established pursuant to Section 2-201. Those procedures shall limit collection, storage or dissemination to the following types of information:

(a) Information concerning corporations or other commercial organizations or activities that constitutes foreign intelligence or counterintelligence;

(b) Information arising out of a lawful counterintelligence or personnel, physical or communications security investigation;

(c) Information concerning present or former employees, present or former intel-

ligence agency contractors or their present or former employees, or applicants for any such employment or contracting, which is needed to protect foreign intelligence or counterintelligence sources or methods from unauthorized disclosure;

(d) Information needed solely to identify individuals in contact with those persons described in paragraph (c) of this section or with someone who is the subject of a lawful foreign intelligence or counterintelligence investigation;

(e) Information concerning persons who are reasonably believed to be potential sources or contacts, but only for the purpose of determining the suitability or credibility of such persons;

(f) Information constituting foreign intelligence or counterintelligence gathered abroad or from electronic surveillance conducted in compliance with Section 2-202 or from cooperating sources in the United States;

(g) Information about a person who is reasonably believed to be acting on behalf of a foreign power, engaging in international terrorist activities or narcotics production or trafficking, or endangering the safety of a person protected by the United States Secret Service or the Department of State;

(h) Information acquired by overhead reconnaissance not directed at specific United States persons;

(i) Information concerning United States persons abroad that is obtained in response to requests from the Department of State for support of its consular responsibilities relating to the welfare of those persons;

(j) Information collected, received, disseminated or stored by the FBI and necessary to fulfill its lawful investigative responsibilities; or

(k) Information concerning persons or activities that pose a clear threat to any facility or personnel of an agency within



the Intelligence Community. Such information may be retained only by the agency threatened and, if appropriate, by the United States Secret Service and the FBI.

2-3. *Additional Restrictions and Limitations.*

2-301. *Tax Information.* No agency within the Intelligence Community shall examine tax returns or tax information except as permitted by applicable law.

2-302. *Restrictions on Experimentation.* No agency within the Intelligence Community shall sponsor, contract for, or conduct research on human subjects except in accordance with guidelines issued by the Department of Health, Education and Welfare. The subject's informed consent shall be documented as required by those guidelines.

2-303. *Restrictions on Contracting.* No agency within the Intelligence Community shall enter into a contract or arrangement for the provision of goods or services with private companies or institutions in the United States unless the agency sponsorship is known to the appropriate officials of the company or institution. In the case of any company or institution other than an academic institution, intelligence agency sponsorship may be concealed where it is determined, pursuant to procedures approved by the Attorney General, that such concealment is necessary to maintain essential cover or proprietary arrangements for authorized intelligence purposes.

2-304. *Restrictions on Personnel Assigned to Other Agencies.* An employee detailed to another agency within the federal government shall be responsible to the host agency and shall not report to the parent agency on the affairs of the host agency unless so directed by the host agency. The head of the host agency, and any successor, shall be informed of the

employee's relationship with the parent agency.

2-305. *Prohibition on Assassination.* No person employed by or acting on behalf of the United States Government shall engage in, or conspire to engage in, assassination.

2-306. *Restrictions on Special Activities.* No component of the United States Government except an agency within the Intelligence Community may conduct any special activity. No such agency except the CIA (or the military services in wartime) may conduct any special activity unless the President determines, with the SCC's advice, that another agency is more likely to achieve a particular objective.

2-307. *Restrictions on Indirect Participation in Prohibited Activities.* No agency of the Intelligence Community shall request or otherwise encourage, directly or indirectly, any person, organization, or government agency to undertake activities forbidden by this Order or by applicable law.

2-308. *Restrictions on Assistance to Law Enforcement Authorities.* Agencies within the Intelligence Community other than the FBI shall not, except as expressly authorized by law:

(a) Provide services, equipment, personnel or facilities to the Law Enforcement Assistance Administration (or its successor agencies) or to state or local police organizations of the United States; or

(b) Participate in or fund any law enforcement activity within the United States.

2-309. *Permissible Assistance to Law Enforcement Authorities.* The restrictions in Section 2-308 shall not preclude:

(a) Cooperation with appropriate law enforcement agencies for the purpose of protecting the personnel and facilities of

any agency within the Intelligence Community;

(b) Participation in law enforcement activities, in accordance with law and this Order, to investigate or prevent clandestine intelligence activities by foreign powers, international narcotics production and trafficking, or international terrorist activities; or

(c) Provision of specialized equipment, technical knowledge, or assistance of expert personnel for use by any department or agency or, when lives are endangered, to support local law enforcement agencies. Provision of assistance by expert personnel shall be governed by procedures approved by the Attorney General.

2-310. *Permissible Dissemination and Storage of Information.* Nothing in Sections 2-201 through 2-309 of this Order shall prohibit:

(a) Dissemination to appropriate law enforcement agencies of information which indicates involvement in activities that may violate federal, state, local or foreign laws;

(b) Storage of information required by law to be retained;

(c) Dissemination of information covered by Section 2-208 (a)-(j) to agencies within the Intelligence Community or entities of cooperating foreign governments; or

(d) Lawful storage or dissemination of information solely for administrative purposes not related to intelligence or security.

### SECTION 3

#### OVERSIGHT OF INTELLIGENCE ORGANIZATIONS

##### 3-1. *Intelligence Oversight Board.*

3-101. *Membership.* The President's Intelligence Oversight Board (IOB) shall function within the White House. The IOB shall have three members who shall be appointed by the President and who

shall be from outside the government and be qualified on the basis of ability, knowledge, diversity of background and experience. No member shall have any personal interest in any contractual relationship with any agency within the Intelligence Community. One member shall be designated by the President as chairman.

##### 3-102. *Duties.* The IOB shall:

(a) Review periodically the practices and procedures of the Inspectors General and General Counsel with responsibilities for agencies within the Intelligence Community for discovering and reporting to the IOB intelligence activities that raise questions of legality or propriety, and consider written and oral reports referred under Section 3-201;

(b) Review periodically for adequacy the internal guidelines of each agency within the Intelligence Community concerning the legality or propriety of intelligence activities;

(c) Report periodically, at least quarterly, to the President on its findings; and report in a timely manner to the President any intelligence activities that raise serious questions of legality or propriety;

(d) Forward to the Attorney General, in a timely manner, reports received concerning intelligence activities in which a question of legality has been raised or which the IOB believes to involve questions of legality; and

(e) Conduct such investigations of the intelligence activities of agencies within the Intelligence Community as the Board deems necessary to carry out its functions under this Order.

3-103. *Restriction on Staff.* No person who serves on the staff of the IOB shall have any contractual or employment relationship with any agency within the Intelligence Community.

3-2. *Inspectors General and General Counsel.* Inspectors General and General

Counsel with responsibility for agencies within the Intelligence Community shall:

3-201. Transmit timely reports to the IOB concerning any intelligence activities that come to their attention and that raise questions of legality or propriety;

3-202. Promptly report to the IOB actions taken concerning the Board's findings on intelligence activities that raise questions of legality or propriety;

3-203. Provide to the IOB information requested concerning the legality or propriety of intelligence activities within their respective agencies;

3-204. Formulate practices and procedures for discovering and reporting to the IOB intelligence activities that raise questions of legality or propriety; and

3-205. Report to the IOB any occasion on which the Inspectors General or General Counsel were directed not to report any intelligence activity to the IOB which they believed raised questions of legality or propriety.

3-3. *Attorney General.* The Attorney General shall:

3-301. Receive and consider reports from agencies within the Intelligence Community forwarded by the IOB;

3-302. Report to the President in a timely fashion any intelligence activities which raise questions of legality;

3-303. Report to the IOB and to the President in a timely fashion decisions made or actions taken in response to reports from agencies within the Intelligence Community forwarded to the Attorney General by the IOB;

3-304. Inform the IOB of legal opinions affecting the operations of the Intelligence Community; and

3-305. Establish or approve procedures, as required by this Order, for the conduct of intelligence activities. Such procedures shall ensure compliance with law, protect constitutional rights and privacy,

and ensure that any intelligence activity within the United States or directed against any United States person is conducted by the least intrusive means possible. The procedures shall also ensure that any use, dissemination and storage of information about United States persons acquired through intelligence activities is limited to that necessary to achieve lawful governmental purposes.

3-4. *Congressional Intelligence Committees.* Under such procedures as the President may establish and consistent with applicable authorities and duties, including those conferred by the Constitution upon the Executive and Legislative Branches and by law to protect sources and methods, the Director of Central Intelligence and heads of departments and agencies of the United States involved in intelligence activities shall:

3-401. Keep the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate fully and currently informed concerning intelligence activities, including any significant anticipated activities which are the responsibility of, or engaged in, by such department or agency. This requirement does not constitute a condition precedent to the implementation of such intelligence activities;

3-402. Provide any information or document in the possession, custody, or control of the department or agency or person paid by such department or agency, within the jurisdiction of the Permanent Select Committee on Intelligence of the House of Representatives or the Select Committee on Intelligence of the Senate, upon the request of such committee; and

3-403. Report in a timely fashion to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence

of the Senate information relating to intelligence activities that are illegal or improper and corrective actions that are taken or planned.

#### SECTION 4

##### GENERAL PROVISIONS

##### 4-1. *Implementation*

4-101. Except as provided in section 4-105 of this section, this Order shall supersede Executive Order 11905, "United States Foreign Intelligence Activities," dated February 18, 1976; Executive Order 11985, same subject, dated May 13, 1977; and Executive Order 11994, same subject, dated June 1, 1977.

4-102. The NSC, the Secretary of Defense, the Attorney General and the Director of Central Intelligence shall issue such appropriate directives and procedures as are necessary to implement this Order.

4-103. Heads of agencies within the Intelligence Community shall issue appropriate supplementary directives and procedures consistent with this Order.

4-104. The Attorney General shall have sole authority to issue and revise procedures required by section 2-201 for the activities of the FBI relating to foreign intelligence and counterintelligence.

4-105. Where intelligence activities under this Order are to be conducted pursuant to procedures approved or agreed to by the Attorney General, those activities may be conducted under terms and conditions of Executive Order 11905 and any procedures promulgated thereunder until such Attorney General procedures are established. Such Attorney General procedures shall be established as expeditiously as possible after the issuance of this Order.

4-106. In some instances, the documents that implement this Order will be classified because of the sensitivity of the information and its relation to national security. All instructions contained in

classified documents will be consistent with this Order. All procedures promulgated pursuant to this Order will be made available to the Congressional intelligence committees in accordance with Section 3-402.

4-107. Unless otherwise specified, the provisions of this Order shall apply to activities both within and outside the United States, and all references to law are to applicable laws of the United States, including the Constitution and this Order. Nothing in this Order shall be construed to apply to or interfere with any authorized civil or criminal law enforcement responsibility of any department or agency.

4-2. *Definitions.* For the purposes of this Order, the following terms shall have these meanings:

4-201. *Communications security* means protective measures taken to deny unauthorized persons information derived from telecommunications of the United States Government related to national security and to ensure the authenticity of such telecommunications.

4-202. *Counterintelligence* means information gathered and activities conducted to protect against espionage and other clandestine intelligence activities, sabotage, international terrorist activities or assassinations conducted for or on behalf of foreign powers, organizations or persons, but not including personnel, physical, document, or communications security programs.

4-203. *Electronic Surveillance* means acquisition of a nonpublic communication by electronic means without the consent of a person who is a party to an electronic communication or, in the case of a nonelectronic communication, without the consent of a person who is visibly present at the place of communication, but not including the use of radio direction finding equipment solely to deter-

mine the location of a transmitter.

4-204. *Employee* means a person employed by, assigned to, or acting for an agency within the Intelligence Community.

4-205. *Foreign Intelligence* means information relating to the capabilities, intentions and activities of foreign powers, organizations or persons, but not including counterintelligence except for information on international terrorist activities.

4-206. *Intelligence* means foreign intelligence and counterintelligence.

4-207. *Intelligence Community* and *agency or agencies within the Intelligence Community* refer to the following organizations:

(a) The Central Intelligence Agency (CIA);

(b) The National Security Agency (NSA);

(c) The Defense Intelligence Agency;

(d) The Offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(e) The Bureau of Intelligence and Research of the Department of State;

(f) The intelligence elements of the military services, the Federal Bureau of Investigation (FBI), the Department of the Treasury, the Department of Energy, and the Drug Enforcement Administration (DEA); and

(g) The staff elements of the Office of the Director of Central Intelligence.

4-208. *Intelligence product* means the estimates, memoranda and other reports produced from the analysis of available information.

4-209. *International terrorist activities* means any activity or activities which:

(a) involves killing, causing serious bodily harm, kidnapping, or violent destruction of property, or an attempt or credible threat to commit such acts; and

(b) appears intended to endanger a

protectee of the Secret Service or the Department of State or to further political, social or economic goals by intimidating or coercing a civilian population or any segment thereof, influencing the policy of a government or international organization by intimidation or coercion, or obtaining widespread publicity for a group or its cause; and

(c) transcends national boundaries in terms of the means by which it is accomplished, the civilian population, government, or international organization it appears intended to coerce or intimidate, or the locale in which its perpetrators operate or seek asylum.

4-210. *The National Foreign Intelligence Program* includes the programs listed below, but its composition shall be subject to review by the National Security Council and modification by the President.

(a) The programs of the CIA;

(b) The Consolidated Cryptologic Program, the General Defense Intelligence Program, and the programs of the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance except such elements as the Director of Central Intelligence and the Secretary of Defense agree should be excluded;

(c) Other programs of agencies within the Intelligence Community designated jointly by the Director of Central Intelligence and the head of the department or by the President as national foreign intelligence or counterintelligence activities;

(d) Activities of the staff elements of the Office of the Director of Central Intelligence.

(e) Activities to acquire the intelligence required for the planning and conduct of tactical operations by the United States military forces are not included in

the National Foreign Intelligence Program.

4-211. *Physical surveillance* means an unconsented, systematic and deliberate observation of a person by any means on a continuing basis, or unconsented acquisition of a nonpublic communication by a person not a party thereto or visibly present thereat through any means not involving electronic surveillance. This definition does not include overhead reconnaissance not directed at specific United States persons.

4-212. *Special activities* means activities conducted abroad in support of national foreign policy objectives which are designed to further official United States programs and policies abroad and which are planned and executed so that the role of the United States Government is not apparent or acknowledged publicly, and functions in support of such activities, but not including diplomatic activity or the collection and production of intelligence or related support functions.

4-213. *United States*, when used to describe a place, includes the territories of the United States.

4-214. *United States person* means a citizen of the United States, an alien lawfully admitted for permanent residence, an unincorporated association organized in the United States or substantially composed of United States citizens or aliens admitted for permanent residence, or a corporation incorporated in the United States.

JIMMY CARTER

The White House,  
January 24, 1978.

[Filed with the Office of the Federal Register,  
11:12 a.m., January 25, 1978]

## United States Foreign Intelligence Activities

*Statement on Executive Order 12036.*  
*January 24, 1978*

I have issued today an Executive order concerning the organization and control of United States foreign intelligence activities. It is the product of the most extensive and highest level review ever conducted through the National Security Council system of our Nation's foreign intelligence activities and of an unprecedented dialog with the congressional oversight committees.

The new order, which builds on the experience under President Ford's Executive Order 11905, is intended to provide a foundation for the drafting of statutory charters, and I intend to work closely with congressional leaders to enact such legislation. Until then, however, the new order will:

- ensure that foreign intelligence and counterintelligence activities are conducted in full compliance with the laws of the United States and are consistent with broader national security policies;
- establish effective oversight of the direction, management, and conduct of the foreign intelligence activities of the Federal Government;
- clarify the authority and responsibilities of the Director of Central Intelligence (DCI) and the departments and agencies that have foreign intelligence and counterintelligence responsibilities.

The most important features of the new Executive order are as follows:

1. The National Security Council and its two standing committees—the Special Coordination Committee (SCC) and the Policy Review Committee (PRC)—will, short of the President, provide the high-

est level review of and guidance for the policies and practices of the Intelligence Community.

—The PRC, when acting on intelligence matters, will be chaired by the DCI and is charged with defining and establishing priorities for consumer requirements for intelligence, making sure these are reflected in budget decisions, and evaluation of analytical products. This ensures that the needs of the most important users of intelligence will guide the entire intelligence process.

—The SCC, chaired by the Assistant to the President for National Security Affairs, will review and make recommendations to the President on the most sensitive intelligence operations and, as appropriate, on collection activities. This committee will also, for the first time, assume responsibility for developing policy for and coordination of all counterintelligence activities.

2. The authorities and responsibilities of all departments, agencies, and senior officials engaged in foreign intelligence and counterintelligence activities are being made public. Those implementing directives which must remain classified for security reasons will be made available to the appropriate congressional oversight committees. The new order implements my earlier decision to centralize under the DCI the most important national intelligence management functions—collection requirements, budget control, and analysis—while operational and support activities are left unchanged and decentralized.

The specific operational responsibilities of each of the elements of the Intelligence Community, as well as their most important community relationships, are spelled out. Two important organizational mechanisms are established to facilitate these functions:

—The National Intelligence Tasking Center, operating in peacetime under the control of the DCI or under the Secretary of Defense when the President so directs, will be responsible for coordinating and tasking national foreign intelligence collection programs.

—The National Foreign Intelligence Board, which includes the members of the Intelligence Community, is an advisory body to the DCI on all national intelligence activities and the budget.

3. Our intelligence agencies have a critical role to play in collecting and analyzing information important to our national security interests and, on occasion, acting in direct support of major foreign policy objectives. It is equally important, however, that the methods employed by these agencies meet constitutional standards protecting the privacy and civil liberties of U.S. persons and are in full compliance with the law.

To accomplish this objective a major section of the Executive order is devoted entirely to setting forth detailed restrictions on intelligence collection, covert activities in support of foreign policy objectives, experimentation, contracting, assistance to law enforcement authorities, personnel assigned to other agencies, indirect participation in prohibited activities, dissemination and storage of information, and a prohibition on assassinations. The FBI's intelligence activities no longer have a blanket exception to these restrictions.

At the heart of the restriction process is a greatly enhanced role for the Attorney General, as the Nation's top legal officer, to establish and approve procedures to regulate the conduct of the most sensitive intelligence activities. These detailed procedures, which will be made available to the congressional oversight committees, will ensure compliance with the law, protect constitutional rights and privacy, and ensure that any intelligence activity with-

in the United States or directed against Americans will employ the least intrusive means possible and that the use, dissemination, and storage of such information is limited to that necessary to achieve lawful governmental purposes.

4. As an added protection against abuses and to help ensure effective performance, the intelligence oversight process is strengthened.

—The Intelligence Oversight Board is retained, and its responsibilities for review of foreign intelligence activities that may be illegal or improper is extended to the counterintelligence area, and it is given new authority to conduct investigations.

—The DCI and senior officers of the Intelligence Community are instructed to report to the congressional intelligence committees in a complete and prompt manner.

I believe that this Executive order represents an important step forward in assuring the American people that their intelligence agencies will be working effectively for them and not infringing on their legal rights. The next step will be to establish these authorities and restrictions in legislation binding on this and future administrations.

## President's Committee on Employment of the Handicapped

*Appointment of Charles H. Pillard as Vice Chairman. January 24, 1978*

The President today announced the appointment of Charles H. Pillard as Vice Chairman of the President's Committee on Employment of the Handicapped.

Pillard, 59, has been international president of the International Brotherhood of Electrical Workers since 1968. From 1952 to 1968, he was business manager of Local Union 41.

## International North Pacific Fisheries Commission

*Appointment of Dennis A. Grotting as Commissioner of the United States Section. January 24, 1978*

The President today announced the reappointment of Dennis A. Grotting as Commissioner of the United States Section of the International North Pacific Fisheries Commission.

Grotting, 36, has served on the Commission since 1975. He is secretary-manager of the Fisherman's Marketing Association in Eureka, Calif.

## Federal Prevailing Rate Advisory Committee

*Message to the Congress Transmitting a Report. January 24, 1978*

*To the Congress of the United States:*

In accordance with section 5347(e) of title 5 of the United States Code, I hereby transmit to you the 1976 Annual Report of the Federal Prevailing Rate Advisory Committee.

While not specifically addressed in the attached report, I want to express my concern that little progress appears to have been made in reforming the prevailing rate system for adjusting wages of Federal blue collar employees. In my February 22, 1977 message to the Congress, I strongly recommended early enactment of legislation to correct those provisions of current law that cause significant departures from the local prevailing rate principle, and result in an unfair competitive advantage for the Federal Government and unjustifiable payroll costs. A draft bill which would achieve these objectives was submitted to the Congress early last year. I am convinced that this bill will correct the



most serious deficiencies in the prevailing rate system and I wish to reiterate my concern for its passage.

JIMMY CARTER

The White House,  
January 24, 1978.

## United States Arms Control and Disarmament Agency

*Nomination of 13 Members of the General Advisory Committee.  
January 24, 1978*

The President today announced 13 persons whom he will nominate to be members of the General Advisory Committee to the Arms Control and Disarmament Agency. They are:

HAROLD M. AGNEW, director of the Los Alamos Scientific Laboratory in New Mexico (reappointment);

MCGEORGE BUNDY, president of the Ford Foundation;

BERT T. COMBS, an attorney in Louisville, Ky.;

L. OWEN COOPER, SR., former president of the Mississippi Chemical Corp.;

PAUL M. DOTY, director of the program for science and international affairs at Harvard University;

DOUGLAS FRASER, president of the United Auto Workers of America;

HARRY HUGE, a Washington attorney;

LANE KIRKLAND, secretary-treasurer of the AFL-CIO (reappointment);

ARTHUR B. KRIM, a New York attorney;

WOLFGANG K. H. PANOFSKY, director of Stanford University;

BRENT SCOWCROFT, former Assistant to the President for National Security Affairs;

THOMAS J. WATSON, JR., chairman of the executive committee of the board of directors of IBM Corp.;

MARGARET BUSH WILSON, chairman of the NAACP and a St. Louis attorney.

## National Advisory Committee on Oceans and Atmosphere

*Appointment of 18 Members.  
January 24, 1978*

The President today announced the appointment of 18 persons to be members of the National Advisory Committee on Oceans and Atmosphere. They are:

*For terms ending June 30, 1978*

WERNER A. BAUM, chancellor of the university and professor of geography at the University of Wisconsin;

MARNE A. DUBS, director of ocean resources for the Kennecott Copper Corp.;

ALFRED A. H. KEIL, Ford professor of engineering at Massachusetts Institute of Technology;

MICHAEL R. NAESS, senior executive vice president, director, and chief operating officer, services group, for Zapata Corp. in Houston, Tex.;

GEORGE M. SULLIVAN, mayor of Anchorage, Alaska;

JACK R. VAN LOPIK, dean of Louisiana State University's Center for Wetland Resources;

*For terms ending June 30, 1979*

SARAH CHASIS, staff attorney for the Natural Resources Defense Council in New York;

H. J. COFER, JR., president and chief executive officer of Rich-SeaPak Corp.;

DONALD L. MCKERNAN, director of the Institute for Marine Studies and professor of marine affairs and fisheries at the University of Washington (also designated Chairman of the Committee);

SHARRON STEWART, of Lake Jackson, Tex., a member of the Energy Development Fund, Energy Conservation Task Force, and the Governor's Energy Advisory Council;

JAMES B. SULLIVAN, founder and codirector of the Center for Science in the Public Interest, Washington, D.C.;

WARREN M. WASHINGTON, senior scientist and group leader at the National Center for Atmospheric Research in Boulder, Colo.;

*For terms ending June 30, 1980*

LOUIS J. BATTAN, director of the Institute of Atmospheric Physics and head of the department of atmospheric sciences at the University of Arizona;

JOHN A. BIGGS, former director of the Washington State Department of Ecology;

ALBERT W. GATOV, vice president of the San Francisco Metropolitan Transportation Commission and chairman of its seaport policy commission subcommittee;

OTTO KLIMA, vice president and general manager, re-entry and environmental systems division, General Electric Co.;

JOHN A. KNAUSS, dean of the Graduate School of Oceanography at the University of Rhode Island;

EVELYN F. MURPHY, secretary of environmental affairs for the Commonwealth of Massachusetts (also designated Vice Chairman).

## Department of Energy

*Nomination of Omi G. Walden To Be an Assistant Secretary. January 25, 1978*

The President today announced that he will nominate Omi G. Walden, of Atlanta, Ga., to be an Assistant Secretary of Energy. Her area of responsibility would be conservation and solar applications.

Walden was born December 25, 1945, in Alma, Ga. She received an A.B. from the University of Georgia in 1967.

In 1968 and 1969, she was assistant director for public relations at the Georgia Ports Authority, and from 1970 to 1973, she was director of public relations for the HUD Model Cities Program in Alma, Ga., which she also served as research and evaluation coordinator and citizen participation coordinator.

From 1973 to 1976, Walden served as Federal/State relations coordinator and a policy adviser on energy and environmental issues for Georgia Governors Jimmy Carter and George Busbee.

Since 1976 she has been director of the Georgia Office of Energy Resources, which she was responsible for establishing.

## Department of Labor

*Nomination of Robert B. Lagather To Be Assistant Secretary for Mine Safety and Health. January 25, 1978*

The President today announced that he will nominate Robert B. Lagather, of Arlington, Va., to be an Assistant Secretary of Labor for Mine Safety and Health.

Lagather was born December 8, 1925, in Chisholm, Minn. He received an LL.B. from George Washington University in 1951.

From 1951 to 1962, Lagather worked as a clerk and as night shift supervisor for the United Mine Workers Welfare and Retirement Fund. From 1953 to 1962, he also practiced law in Washington.

Since 1962 Lagather has been at the Labor Department, beginning as an attorney for labor management laws. From 1973 to 1975, he was Deputy Assistant Secretary for Labor Management Relations Administration. Since 1975 he has been Deputy Solicitor for Regional Operations.

## Board for International Food and Agricultural Development

*Appointment of Johnnie W. Prothro as a Member. January 25, 1978*

The President today announced the appointment of Johnnie W. Prothro, of Atlanta, Ga., as a member of the Board for International Food and Agricultural Development.

Prothro was born February 26, 1922, in Atlanta. She received a B.S. from Spelman College in 1941, an M.S. from Columbia University in 1946, and a Ph. D. from the University of Chicago in 1952.

From 1952 to 1963, Prothro was a professor at Tuskegee Institute, and from 1963 to 1968, she was an associate professor at the University of Connecticut. From 1968 to 1972, she was head of the department of home economics and food administration at Tuskegee.

Prothro was a nutrition adviser at the Center for Disease Control in Atlanta in 1972 and 1973, and from 1973 to 1975 taught at Tuskegee. Since 1975 she has been a professor in the dietetics program, division of allied health professions, at Emory University.

## International Sugar Agreement, 1977

*Message to the Senate Transmitting the Agreement. January 25, 1978*

*To the Senate of the United States:*

I transmit herewith the International Sugar Agreement, 1977, accompanied by the report of the Department of State. Ambassador Young signed this Agreement on behalf of the United States of America on December 9, 1977.

The Agreement seeks to stabilize sugar prices to meet both our domestic interests as a major consumer and producer of sugar, and our international interests as the world's largest importer of sugar. The United States has been a member of previous international sugar agreements, including the first one in 1937. But we were not a member of the most recent, which was negotiated in 1968 and expired in 1973. Serious negotiations for this new Agreement began last April when sugar prices were low and surpluses were large. High prices during 1974 and 1975 had stimulated world production, cut world demand, and encouraged the develop-

ment of high fructose corn syrup, a direct competitor with beet and cane sugar.

The new Agreement is designed to avoid the problems created by excess supplies of sugar, while providing assurances of adequate supplies in the future. It does so by stabilizing world prices between 11 and 21 cents a pound. The 11 cent minimum will be defended by a worldwide system of export quotas. The Food and Agriculture Act of 1977 establishes a domestic support price of 13.5 cents per pound which is roughly equivalent to the 11 cent minimum world price when normal duties and transportation are added. When domestic prices rise above that level, the Secretary of Agriculture may suspend the price support program.

The Agreement protects the interests of consumers by guarding against high prices and ensuring adequate supplies for domestic needs. It calls for reserve stocks under which about 2.5 million tons of sugar will be set aside and held in exporting countries for release in case prices approach the 21 cent level. The 11 cent price will encourage sufficient investment to avoid sharp reductions in supplies and concomitant price increases.

The Agreement is consistent with our broad foreign policy objectives and with our intent to balance the interests of producing and consuming countries through international cooperation. Once in full operation, it should eliminate the need for the tariff and fee measures recently imposed to defend our domestic price support program. Such unilateral measures adversely affect the earning capacity of many developing countries and undermine our commitment to an open international trading system. Instead, the Agreement represents a cooperative effort among sugar exporting and importing countries to achieve their mutual interests

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in equitable and stabilized sugar prices and supplies.

For all of these reasons, I urge the Senate to give this Agreement favorable consideration and its advice and consent to ratification. The Department of State will submit legislation to implement the Agreement.

JIMMY CARTER

The White House,  
January 25, 1978.

## Meeting With Head of Delegation of Supreme Soviet Parliamentarians

*White House Statement Issued Following the  
Meeting With B. N. Ponomarev.  
January 25, 1978*

The President met for 1 hour this afternoon with Mr. Boris Ponomarev. Mr. Ponomarev is the head of a delegation of parliamentarians of the Supreme Soviet visiting the United States at the invitation of the U.S. Congress. He is a candidate Politburo member and Central Committee Secretary of the Communist Party of the Soviet Union.

The President stated his interest in working on a mutual basis to widen the areas of cooperation and to limit the areas of competition that mark relations between the United States and the Soviet Union. The President noted that this will require reciprocity and restraint on both sides. The discussion was friendly and productive.

Specific subjects discussed included SALT, the Horn of Africa, the Middle East, and other issues.

The President was joined by the Vice President, Dr. Zbigniew Brzezinski, Assistant for National Security Affairs, and Reginald Bartholomew of the NSC staff.

Mr. Ponomarev was accompanied by Soviet Ambassador Anatoly Dobrynin. The interpreters were Dimitry Zarechnak for the United States and Olga A. Krokhaliev for the Soviet Union.

## Highway and Transit Programs

*Message to the Congress Proposing  
Legislation. January 26, 1978*

*To the Congress of the United States:*

I am today transmitting to Congress proposed legislation that will significantly improve the organization and operation of the Federal government's highway and transit programs.

One of the Administration's important goals is to develop a well balanced national transportation policy, one which takes account of our increased sensitivity to the effects of transportation on the social and economic life of our cities and rural communities. The reforms which are proposed in this legislation are designed to make certain that the nation has an effective transportation system, which uses energy more efficiently, enhances the quality of life in our urban and rural areas, and helps expand our economy.

The program I am proposing will intensify the Federal effort to complete the Interstate System and provide flexible assistance for highway construction and transit development. The legislation would authorize more than \$50 billion over the next five years and proposes the following changes to meet national transportation needs:

- a comprehensive transportation planning program;
- measures to speed completion of the Interstate System and to improve maintenance;

- consolidation of more than 30 highway and public transportation grant programs into fewer and more flexible programs for both rural and urban areas;
- a uniform Federal share for all grant programs except Interstate construction and Interstate transfer projects;
- focusing the transit discretionary program on major investments;
- an expanded bridge replacement and rehabilitation program;
- a unified safety program; and
- greater flexibility for State and local governments to pursue their own priorities.

To achieve our objectives in this area, we propose a reorganization of a variety of highway and transit programs into a simpler and more manageable system of Federal assistance. Certain aspects of our new approach to these programs should be emphasized.

#### *Transportation Planning*

To promote more efficient short-range and long-range planning by state and local officials, I propose to consolidate highway and transit planning funds and to distribute these funds as a single grant, under a formula to be determined by the Secretary of Transportation.

Planning grants will be made directly to designated metropolitan planning organizations in urbanized areas over one million in population. The Secretary will review transportation plans for such areas to ensure that they take reasonable account of such issues as air quality, energy conservation, environmental quality, accessibility to employment, effect on minorities, housing, land use and future development. The planning process for other areas will be strengthened as well.

#### *Interstate System*

Our first priority will be to complete the essential gaps in the Interstate System.

Fifty percent of the apportionment formula will be based on the cost to complete the essential gaps and fifty percent on the cost to complete the total system. Highway projects substituted after an Interstate withdrawal will be funded from a state's Interstate apportionment, and substitute mass transit projects will be funded from the General Fund. Interstate substitute projects, both highway and transit, will be eligible for a ninety percent federal share.

States will be required to have completed the Environmental Impact Statement process or to have submitted an application for an Interstate withdrawal on all uncompleted segments of the Interstate by September 30, 1982. Segments which have not met either requirement will be removed from the system. All incomplete Interstate segments must be under contract for construction and initial construction must have commenced by September 30, 1986.

#### *Federal-Aid Primary System*

To simplify an unduly restrictive funding structure, seven highway categories will be consolidated into a single Primary program. Funds will be apportioned by a formula specified in the legislation and the Federal share will be eighty percent. Up to fifty percent of a state's primary system funds may be transferred to the urban highway or the small urban and rural transportation programs.

#### *Urban Formula Grants*

Two compatible programs will be established, one for highways, and one for transit, for all urbanized areas with a population of 50,000 or more. The highway program will consolidate five categorical programs, and all urban roads not on the Interstate or primary systems will be eligible for assistance. The transit program will provide assistance for the acquisition, construction and improvement of facilities

and equipment for use in public transportation services and the payment of operating expenses, including commuter rail operating expenses.

Funds will be apportioned by formula and the federal share for capital projects will be eighty percent. The highway formula will be based on urbanized area population. Up to fifty percent of the urban highway funds may be transferred to the Primary program or to the small urban and rural program. Up to fifty percent of the transit funds may be transferred to the highway program. Highway funds will continue to be available for transit capital projects.

Governors and local officials will be required to designate a recipient or recipients for urban highway funds in urbanized areas with a population of one million or more. By this step we will significantly improve the opportunity for large cities to become more involved in the planning and programming of their highway systems. Urban highway funds for areas with small populations will go to the State.

#### *Urban Discretionary Grant*

This transit grant program will be focused on major expansion of bus fleets and new fixed guideway projects, including extensions of existing systems, and joint development projects.

#### *Small Urban and Rural Formula Grant*

To meet the unique needs of small cities and rural communities, we propose a consolidated grant program for highways and transit for all areas with a population below 50,000, with the state as the recipient.

Nine categorical highway programs will be consolidated into this new program, and all public roads not on the Interstate or primary systems will be eligible for assistance. The new program will provide

assistance for both capital and operating expenses for public transportation in small urban and rural communities. Authorization for this program would come out of the Highway Trust Fund, but the Trust Fund would be reimbursed out of the General Fund for transit operating expenses.

#### *Safety Program*

To allow more flexible and rational use of funds, six highway safety programs will be consolidated into a single safety grant to states, with the federal share at eighty percent.

#### *Bridge Program*

For the first time states will be able to use substantially increased funds for rehabilitation as well as replacements of deteriorating bridges. The federal share will be eighty percent, and up to thirty percent of the funds will be available for bridges not on the federal-aid highway systems.

#### *Authorizations*

The proposed authorizations are designed to permit better long-term planning by those responsible for both highway and transit development. The Highway Trust Fund will be extended for an additional 4 years. The formula grant programs will be authorized for a four-year period, and the urban discretionary grant program will be authorized for a five-year period.

In proposing the reforms contained in this legislation I recognize the critical relationship between transportation, energy and development in urban and rural areas. I believe that these proposals will lead toward energy conservation and better land use. The enactment of this legislation will bring new opportunities and responsibilities to State and local offi-

cials, will respond to the problems of the present programs, and will help to place the surface transportation system on a sound financial basis.

I ask the Congress to move promptly to pass this highway and transit legislation.

JIMMY CARTER

The White House,  
January 26, 1978.

## Bureau of Land Management

*Nomination of Frank Gregg To Be Director.  
January 26, 1978*

The President today announced that he will nominate Frank Gregg, of Hingham, Mass., to be Director of the Bureau of Land Management in the Interior Department.

Gregg was born December 12, 1925, in Denver, Colo. He graduated from the University of Colorado in 1949.

From 1957 to 1961, Gregg was executive director of the Izaak Walton League of America. From 1961 to 1963, he was a staff assistant in the office of Secretary of the Interior Stewart L. Udall, where he worked on development of the Land and Water Conservation Fund and Water Resources Planning acts. From 1963 to 1965, he was executive director of the Citizens' Committee for the Outdoor Recreation Resources Review Commission Report.

Gregg was vice president of the Conservation Foundation from 1965 to 1967. Since 1967 he has been Chairman of the New England River Basins Commission, a joint Federal-State agency established at the request of the New England Governors to coordinate Federal and State water and related land resource programs in that region.

## National Transportation Safety Board

*Nomination of Elwood T. Driver To Be a Member. January 26, 1978*

The President today announced that he will nominate Elwood T. Driver, of Reston, Va., to be a member of the National Transportation Safety Board for the remainder of the term expiring December 31, 1980.

Driver was born August 20, 1921, in Trenton, N.J. He has a bachelor's degree in mathematics and science from New Jersey State College and a master's degree in safety from New York University. He has taken graduate courses in system safety engineering.

From 1962 to 1967, Driver was chief of system safety engineering and administration at Autonetics, a division of North American Rockwell, where he was responsible for the system safety engineering of the guidance system for the Minuteman ICBM.

Driver has been with the Department to Transportation since 1967. From 1967 to 1971, he was Chief of the Components Division, Office of Standards for Vehicles in Use, at the National Highway Safety Bureau. He is currently Acting Director of the Office of Crashworthiness, Motor Vehicle Programs, at the National Highway Traffic Administration, where he is responsible for developing and issuing safety standards for motor vehicles and equipment.

## Budget Rescissions and Deferrals

*Message to the Congress. January 27, 1978*

*To the Congress of the United States:*

In accordance with the Impoundment Control Act of 1974, I herewith report three proposals to rescind a total of \$55.3

million in budget authority previously provided by the Congress. In addition, I am reporting six new deferrals of budget authority totalling \$1,517.1 million and seven revisions to previously transmitted deferrals increasing the amount deferred by \$2.2 million in budget authority.

The rescission proposals affect the military assistance program, the Department of State's appropriation for contributions for international peacekeeping activities, and the revolving fund of the Federal Home Loan Bank Board.

The new deferrals and revisions to existing deferrals involve programs of the Departments of Agriculture, Commerce, Health, Education, and Welfare, Justice, Labor, Transportation, the Treasury, and the Panama Canal Zone Government, the National Science Foundation, and the United States Information Agency.

The details of each rescission proposal and deferral are contained in the attached reports.

JIMMY CARTER

The White House,  
January 27, 1978.

NOTE: The attachments detailing the rescissions and deferrals are printed in the *FEDERAL REGISTER* of February 1, 1978.

## National Afro-American (Black) History Month, February 1978

*Message of the President. January 27, 1978*

This Month gives black Americans a wonderful opportunity to review their roots, their achievements and their projections; and it provides for all Americans a chance to rejoice and express pride in a heritage that adds so much to our way of life.

I commend the Association for the Study of Afro-American Life and History

on its sponsorship of this traditional observance.

Calling attention to the contributions of black people to our overall progress and development, the month of February thus serves to build goodwill and understanding between all people. It gives each of us a keener appreciation of an important part of the priceless legacy which Americans of every creed, color and national origin are fortunate to share.

Rosalynn and I join in urging fellow citizens everywhere to help make this year's celebration especially meaningful and rewarding.

JIMMY CARTER

## Democratic National Committee

*Remarks at a Special Meeting of the Committee. January 27, 1978*

*Chairman John White and Chairman Ken Curtis, Chairman Bob Strauss—[laughter]—distinguished members and officers of the Democratic National Committee and friends:*

It's really great to come over here and to have such a good reception. I think it was a surprise to John White. He had asked me specifically to come after he was elected. [Laughter] When you get more applause than Bob Strauss, it makes you feel very good. [Laughter]

I want to be brief this morning, but to tell you a few things that are important to me and, I think, to you. In the first place, I want to express my admiration and my appreciation to Ken Curtis for having done such a superb job this past year.

Shortly after I was elected Governor, and before I was inaugurated, I had an opportunity to meet Ken Curtis and Polly and Angel, and there was an instant rapport between us and an instant admi-



ration on our part for him. He was one of the senior Governors also, a young man. And he gave me sound advice, and we formed a partnership then and a friendship that has been staunch.

When I was elected President, I particularly wanted Ken Curtis to come and take on this job. I have to tell you in complete confidence that he did it as a favor to me. He did not want to leave Maine. He wanted to stay there and not move to what he considers the Deep South of Washington. [*Laughter*] But I told him that we needed him. And Bob Strauss had laid a good groundwork, leading up to a superb choice by the American people last November, a year ago—[*laughter*]—and I told him that we needed to consolidate what had been done and to bridge the gap between a Democratic National Committee with a Republican in the White House, with the quite different circumstance of a Democratic National Committee with a Democrat in the White House.

We were still saddled with an unfortunate debt left over from 1968 which had been \$9½ million, approximately, and which had been cut down a little more than half. And Ken Curtis has, I think, brought the Democratic Party together. He's kept an open door; he's given everybody a chance to speak. He's given me great support, along with your help. He's cut that debt half again, and I think it's down to manageable terms now. And I'm deeply grateful to him.

Ken Curtis told me last October that he wanted to go back to Maine, and with some surprise and regret I told him that I would certainly accede to his wishes. He leaves here with his head high and with the Democratic Party proud of what he's done.

We've now been fortunate in bringing to our committee, with your help, a new

chairman who has a different background, different experience, but who can continue the tremendous growth and influence of the Democratic Party through your leadership.

John White is a man who is known in Texas as Mr. Democrat. He supported John Kennedy and Lyndon Johnson; before that, Adlai Stevenson. He headed up George McGovern's campaign. He supported Hubert Humphrey. He supported Lloyd Bentsen and—[*laughter*]—and successfully supported Jimmy Carter in 1976. [*Laughter*]

He has, I think, the complete integrity and the knowledge of politics that comes from a man who is idealistic, liberal to moderate in the finest sense of those words, who's not afraid to tackle the difficult political challenge when called upon to do so by his duty, and his belief in the purposes and principles of the Democratic Party, and who has proved his own attraction among the Texas people, I think, 13 times when he was reelected to serve as commissioner of agriculture. And I think next November he's going to take a lot of freshmen and sophomore Democratic Members of Congress and help them to start on an equally long career of at least 13 terms, and we're going to all work together for that purpose.

He's also well trained to fit into the environment of a Democratic National Committee. I was particularly convinced of that a week or two ago when I saw a photograph in the Washington Post—[*laughter*]—where his office had been filled with farmers, he was hanging on the windowsill by his fingernails—[*laughter*]—and still trying to convince them that the Department of Agriculture, the President, that Congress were concerned about farm problems. So, I think he'll fit in well over here at the DNC headquarters. [*Laughter*] And I think he can handle the disparate

groups that make up the Democratic Party's strength. I'm grateful, John, that you're here.

I would like to say a word about the titular head of the Democratic Party, and that's myself. I came to Washington for the first time just about a year ago. And we had a massive program to propose, campaign commitments to honor, a Congress for me to learn about, and a quiz-zical American public about a newcomer to national politics whom they really didn't know.

I had to do hundreds of hours of personal study about the history and present circumstances concerning the Middle East, Africa, Latin America, Panama, SALT, comprehensive test bans, domestic programs. And I have to admit to you that in many instances, I put those responsibilities ahead of my responsibilities to the Democratic National Committee. I don't think you've had the support that was needed from the White House. But I don't have to restudy those issues. I've become fairly well educated, and now I can keep up with changing circumstances. This year, there will be a much closer allegiance and alliance from the White House toward the Democratic National Committee and I—[inaudible].

I was elected with your help to lead this country. I feel at ease with the job of President, primarily because I don't feel alone. I have a partnership with you because we are bound together with a common purpose and common beliefs, a common history as Democrats, to let politics and government be used to deal with human needs, not to disappoint those who trust us, not to be timid when severe challenges arise, not to apologize when we inherit longstanding problems that are not easy to solve. And I look forward to this year, working with you with a great deal of anticipation, determination, and confidence.

In the political world and, I think, particularly here in Washington, there is an excessive and predictable and understandable emphasis on the disharmonies, on the arguments and contentions and strong debates. There's an emphasis on failure in minor points, even though the general effort may have been successful.

But what we need to maintain is another characteristic of Democrats, and that is optimism about the future, pride in what our Nation is, and the determination to make it even better. We live in the greatest nation on Earth. Economically we are strong; militarily, strong; politically, strong; morally, strong; admired, not feared in the rest of the world.

I think we have the trust of the American people. It's incumbent on me every minute of every day never to betray that trust. It's important for me not to let a wall be built between me and the rest of the country and to capitalize not only on my personal encounters with American people over the 2 years of campaigning but also, through you, to be constantly aware of new developments and new concerns and new hopes and new dreams of those who look to you for leadership and who recognize that you have a direct access to me through your responsibilities as leaders of our party.

That partnership is crucial in determining whether or not my own administration in the White House is successful. There are times when you can bridge the gap perhaps between myself and the Congress, because no matter how hard I try from the perspective of opposite ends of Pennsylvania Avenue, a good Member of Congress is much more concerned about and amenable to expressions of belief and importunities from his own constituents. And that's where, again, you are there, and you can help to identify problems and to remove those problems before they become critical or damaging to a successful Democratic administration that encom-

passes both Congress and the White House.

I've got an excellent Cabinet. There's not a single person who serves with me at the Cabinet level about whom I have any concern or whom I would want to change. I would like to go out of office at the end of 4 years with the same Cabinet that I have now. They are very strong, very good people. And I think that they deserve your confidence and your support, and also they deserve to know from you when you have a concern about their administration.

I don't run the Federal Government through White House aides. They are all very close to me and they are close to the Cabinet members. So, if there's a problem in health or welfare, I would like for you to go directly to Joe Califano and let him get to know you and let you get to know him. If there's a problem with the cities, go to Juanita Kreps and go to Pat Harris, deal with the Cabinet members directly.

We have a major responsibility this year in the Governors' elections, in the elections for the Members of Congress and the Senate to be successful. And I believe that we can prove to the rest of the Nation that we have an administration that can serve the needs of our people.

There are some severe challenges that presently face us, with which I need your help. There will be an early bringing to the floor of the Panama Canal treaties. A year ago the support for these treaties in the Congress or among the people was minimal, if it existed at all. But the good negotiating results have given us a base of truth and substance which has permitted us to convince the American people and the Members of the Senate that the treaties are in our best interests.

We've got an energy question that must be resolved. It's kind of a cancer that pre-

vents further progress and further confidence in domestic and international economics. And the uncertainty about the future related to energy is something that we must overcome. You can help me with that. We've got an economic program, tax reduction, tax reform, a good solid budget, a concern about our cities, agriculture, with which I need your help. I think our program is well-considered, well-presented, and is sound. And there is a partnership here in which you enjoy full participation.

The last thing I would like to say is this: I don't want you to consider your service on the Democratic National Committee to be a spasmodic responsibility. I would like for you to consider it to be a daily responsibility. Don't just wait until a meeting is called here before you exercise the leadership that's been given to you. You're equally responsible with me to make sure that the Democratic Party never betrays the trust that has been placed in us.

I'd like to see Democrats in the White House for a long time to come. And if you work closely with me, I think that's—  
[inaudible].

Thank you very much.

NOTE: The President spoke at 11:33 a.m. in the Presidential Ballroom at the Capitol Hilton Hotel. In his opening remarks, he referred to John C. White, newly elected chairman of the Democratic National Committee, and Kenneth M. Curtis and Robert S. Strauss, former chairmen of the committee.

## Panama Canal Treaties

*Letter to Senator Richard Stone.  
January 27, 1978*

*To Senator Richard Stone*

Thank you for meeting with me yesterday about the Panama Canal Treaties. You have expressed concerns that are

shared by many of our citizens in Florida and throughout the nation.

Ratification of the Panama Canal Treaties should not be viewed by any power as signaling a retreat by the United States in Latin America. Our country will continue to play a visible and dynamic role in Western Hemisphere affairs.

In particular, it has been and will continue to be the policy of the United States to oppose any efforts, direct or indirect, by the Soviet Union to establish military bases in the Western Hemisphere. Moreover, we will maintain our military bases in the Caribbean necessary to the defense of the Panama Canal and the security of the United States and its allies in the Western Hemisphere.

You have asked when the Government of Panama plans to hold Assembly elections. I am pleased to inform you that Panama will hold elections for its National Assembly on August 6 of this year. The newly-elected members will take office in October.

You have done much to clarify ambiguities that have developed during the debate on the Panama Canal Treaties. I believe the Treaties are very important to the continuing improvement in our relations with Latin America and I hope they will have your support.

Sincerely,

JIMMY CARTER

[The Honorable Richard Stone, United States Senate, Washington, D.C. 20510]

## Advisory Council on Historic Preservation

*Appointment of Calvin W. Carter and Richard H. Jenrette as Members of the Council. January 27, 1978*

The President today announced the appointment of Calvin W. Carter and Richard H. Jenrette as members of the Advi-

sory Council on Historic Preservation for terms expiring February 28, 1982.

Carter, 43, of Tampa, Fla., is president and chief executive officer of the O. H. Carter Co., an insurance company.

Jenrette, 48, of New York City, is also designated Chairman of the Council. He is chairman of the board and chief executive officer of Donaldson, Lufkin & Jenrette, Inc. He is a trustee of the National Trust for Historic Preservation.

## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *January 20*

While in Atlanta, Ga., the President met with a group of Southern State Governors at the Omni International Hotel.

### *January 21*

The President attended funeral services for his uncle, Alton Carter, in Plains, Ga.

### *January 23*

The President returned to the White House following a weekend stay at St. Simons Island, Ga.

### *January 24*

The President telephoned Canadian Prime Minister Pierre Elliott Trudeau to discuss joint U.S.-Canadian efforts to locate and assess the effects of a Soviet nuclear-powered Cosmos satellite which had reentered the Earth's atmosphere over northern Canada that morning.

The President met at the White House with:

*Administration of Jimmy Carter, 1978*

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- members of the bipartisan congressional leadership;
- Senator Warren G. Magnuson of Washington;
- Representative Harold T. Johnson of California;
- Vice President Walter F. Mondale;
- James T. McIntyre, Jr., Acting Director of the Office of Management and Budget.

The President attended a briefing on the Panama Canal treaties, given for business and political leaders from Iowa, Kansas, and Michigan.

*January 25*

The President met at the White House with:

- Dr. Brzezinski;
- Senator James B. Pearson of Kansas;
- Charles L. Schultze, Chairman of the Council of Economic Advisers;
- Senator Howard M. Metzenbaum of Ohio and Dennis J. Kucinich, mayor of Cleveland;
- Senator Paul G. Hatfield, newly appointed Senator from Montana, and members of his family.

The President hosted a White House reception for the executive council and national planning committee of the International Association of Machinists and Aerospace Workers, AFL-CIO.

*January 26*

The President met at the White House with:

- Dr. Brzezinski;
- Representatives Paul E. Tsongas of Massachusetts and Don Bonker of Washington, who reported on their factfinding trip to the Horn of Africa;
- Secretary of Defense Harold Brown and Gen. Daniel “Chappie” James,

Jr., who is retiring from the Air Force;

- Mrs. Carter, for lunch;
- Senator Richard Stone of Florida to discuss the Panama Canal treaties;
- Representative Robert N. Giaimo of Connecticut.

The President attended a briefing on the Panama Canal treaties, given for representatives of the business community.

The President hosted a White House reception for members of the National Council of Mayors.

Democratic National Chairman Kenneth M. Curtis and Mrs. Curtis had dinner with the President at the White House.

The President declared an emergency for the State of Ohio because of the impact of an abnormal accumulation of snow on vital transportation arteries within the State.

*January 27*

The President met at the White House with:

- Secretary of State Cyrus R. Vance, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski;
- Dr. Brzezinski;
- Representative Ray Roberts of Texas;
- members of the American Press Institute (transcript will be printed next week);
- Coleman Young, mayor of Detroit, and Jesse Hill, president of the Atlanta Insurance Co.

The President declared an emergency for the State of Indiana because of the impact of an abnormal accumulation of snow on vital transportation arteries within the State.

The President transmitted to the Congress the 1976 annual report on special international exhibitions conducted under the authority of the Mutual Educational and Cultural Exchange Act of 1961.

*Administration of Jimmy Carter, 1978*

**NOMINATIONS SUBMITTED  
TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

**Submitted January 24, 1978**

The following-named persons to be members of the General Advisory Committee of the United States Arms Control and Disarmament Agency:

HAROLD MELVIN AGNEW, of New Mexico (reappointment).

MCGEORGE BUNDY, of New York, vice I. W. Abel, resigned.

BERT THOMAS COMBS, of Kentucky, vice Harold Brown, resigned.

PAUL MEAD DOTY, of Massachusetts, vice William C. Foster, resigned.

DOUGLAS A. FRASER, of Michigan, vice William W. Scranton, resigned.

HARRY ARTHUR HUGE, of Virginia, vice John Archibald Wheeler, resigned.

JOSEPH LANE KIRKLAND, of the District of Columbia (reappointment).

ARTHUR B. KRIM, of New York, vice John A. McCone, resigned.

WOLFGANG KURT HERMANN PANOFSKY, of California, vice Gerard C. Smith, resigned.

BRENT SCOWCROFT, of the District of Columbia, vice James F. Chambers, Jr., resigned.

THOMAS JOHN WATSON, JR., of Connecticut, vice Gordon Allott, resigned.

MARGARET BUSH WILSON, of Missouri, vice Edward Clark, resigned.

LAWRENCE OWEN COOPER, SR., of Mississippi, to be a member of the General Advisory Committee of the United States Arms Control and Disarmament Agency, vice Carl M. Marcy, resigned.

**Submitted January 25, 1978**

CHARLES H. GRAY, of Arkansas, to be United States Marshal for the Eastern District of Arkansas for the term of 4 years, vice Len E. Blaylock.

ROBERT B. LAGATHER, of Virginia, to be Assistant Secretary of Labor for Mine Safety and Health (new position).

**NOMINATIONS—Continued**

**Submitted January 25—Continued**

OMI GAIL WALDEN, of Georgia, to be an Assistant Secretary of Energy (Conservation and Solar Applications) (new position).

G. WILLIAM MILLER, of California, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1978, vice David M. Lilly, term expiring.

**Submitted January 26, 1978**

The following-named persons to the positions indicated:

To be members of the Board of Directors of the National Railroad Passenger Corporation for the terms indicated:

*For the remainder of the term expiring  
July 18, 1978*

FRANK H. NEEL, of Georgia, vice Edward L. Ullman, deceased.

JAMES R. MILLS, of California, vice Gerald D. Morgan, deceased.

*For a term expiring July 18, 1980*

HARRY T. EDWARDS, of Michigan, vice Joseph V. MacDonald, term expired.

CHARLES LUNA, of Texas (reappointment).

*For a term expiring July 18, 1981*

ANTHONY HASWELL, of Illinois, vice Donald P. Jacobs, term expired.

RONALD G. NATHAN, of the District of Columbia, vice Frank S. Besson, Jr., term expired.

WILLIAM M. ISAAC, of Kentucky, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years, vice Robert E. Barnett, resigned.

LOUIS POLK, of Ohio, to be Chairman of the United States Metric Board for a term of 6 years (new position).

To be members of the United States Metric Board for the terms indicated (new positions):

*For a term of 2 years*

CARL A. BECK, of Pennsylvania

FRANCIS R. DUGAN, of Ohio

HENRY KROEZE, of Wisconsin

*Administration of Jimmy Carter, 1978*

**NOMINATIONS—Continued**

**Submitted January 26—Continued**

*For a term of 4 years*

PAUL BLOCK, JR., of Ohio  
THOMAS A. HANNIGAN, of Maryland  
FRANK HARTMAN, of Michigan  
SANDRA R. KENNEY, of Maryland  
ROGER ELLIS TRAVIS, of Massachusetts

*For a term of 6 years*

SYDNEY D. ANDREWS, of Florida  
JOYCE D. MILLER, of New York  
GLENN NISHIMURA, of Arkansas  
SATENIG S. ST. MARIE, of Connecticut  
ADRIAN G. WEAVER, of Connecticut  
ERNEST AMBLER, of Maryland, to be Director of the National Bureau of Standards, vice Richard W. Roberts, resigned.  
LYNN R. COLEMAN, of the District of Columbia, to be General Counsel of the Department of Energy (new position).  
GEORGE S. McISAAC, of the District of Columbia, to be an Assistant Secretary of Energy (Resource Applications) (new position).  
To be members of the Board for International Broadcasting for the terms indicated:  
RITA E. HAUSER, of New York, for a term expiring April 28, 1980, vice John P. Roche, resigned.  
FRANK MARKOE, JR., of New Jersey, for a term expiring May 20, 1980, vice Foy D. Kohler, term expired.  
STEPHEN JOHN GAGE, of Maryland, to be an Assistant Administrator of the Environmental Protection Agency, vice Wilson K. Talley, resigned.  
ROBERT CLYDE BENEDICT, of Pennsylvania, to be Commissioner on Aging, vice Arthur S. Flemming.  
WILLIAM P. ADAMS, of Virginia, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1977, vice James L. Cowen, resigned.  
ROBERT F. COLLINS, of Louisiana, to be United States District Judge for the Eastern District of Louisiana, vice Alvin B. Rubin, elevated.  
A. DAVID MAZZONE, of Massachusetts, to be United States District Judge for the District of Massachusetts, vice Frank J. Murray, retired.

**NOMINATIONS—Continued**

**Submitted January 26—Continued**

PAUL A. SIMMONS, of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania, vice Ralph F. Scalera, resigned.  
LARRY D. PATTON, of Oklahoma, to be United States Attorney for the Western District of Oklahoma for the term of 4 years, vice David L. Russell, resigned.  
COY W. ROGERS, of Oklahoma, to be United States Marshal for the Western District of Oklahoma for the term of 4 years, vice Floyd E. Carrier, term expired.  
BENJAMIN R. CIVILETTI, of Maryland, to be Deputy Attorney General, vice Peter F. Flaherty, resigned.  
ALVIN HARRY GANDAL, of Maryland, to be a Commissioner of the Postal Rate Commission for the term expiring October 14, 1982, vice Frank P. Saponaro, term expired.  
BERTRAM R. COTTINE, of the District of Columbia, to be a member of the Occupational Safety and Health Review Commission for a term expiring April 27, 1983, vice Robert D. Moran, term expired.  
JOHN ARNOT HEWITT, JR., of New Jersey, to be an Assistant Secretary of the Air Force, vice Everett T. Keech, resigned.  
THOMAS J. CORCORAN, of the District of Columbia, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Burundi.  
DAVID T. SCHNEIDER of Maryland, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Bangladesh.  
PHILIP HENRY ALSTON, JR., of Georgia, now Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nauru.  
W. HOWARD WRIGGINS, of New York, now Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Sri Lanka, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Maldives.

**NOMINATIONS—Continued**  
**Submitted January 26—Continued**

HERMAN J. COHEN, of New York, a Foreign Service officer of Class one, now Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Senegal, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to The Gambia.

The following-named persons to be members of the Board of Directors of the Legal Services Corporation for terms expiring July 13, 1980, to which offices they were appointed during the last recess of the Senate:

CECILIA DENOGEAN ESQUER, of Arizona, vice Rodolfo Montejano, term expired.

STEVEN L. ENGELBERG, of Maryland, vice Samuel D. Thurman, term expired.

HILLARY DIANE RODHAM, of Arkansas, vice William J. Janklow, resigned.

RICHARD ALLAN TRUDELL, of California, vice Marshall Jordan Breger, term expired.

JOSEPHINE MARIE WORTHY, of Massachusetts, vice Marlow W. Cook, term expired.

JOHN W. SNYDER, of the District of Columbia, to be a member of the Board of Trustees of the Harry S. Truman Scholarship Foundation for a term expiring December 10, 1983, to which office he was appointed during the last recess of the Senate.

ROBERT D. THORNE, of California, to be an Assistant Secretary of Energy (Energy Technology) (new position).

FRANK GREGG, of Massachusetts, to be Director of the Bureau of Land Management (new position).

ELWOOD THOMAS DRIVER, of Virginia, to be a member of the National Transportation Safety Board for the remainder of the term expiring December 31, 1980, vice Webster B. Todd, Jr., resigned.

**CHECKLIST OF WHITE HOUSE**  
**PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released January 24, 1978**

News conference: on the President's Executive order on United States foreign intelligence activities—by David L. Aaron, Deputy Assistant to the President for National Security Affairs

**Released January 25, 1978**

News conference: on the reentry of a Soviet Cosmos satellite into the Earth's atmosphere—by Zbigniew Brzezinski, Assistant to the President for National Security Affairs, and Benjamin Huberman, Senior Adviser for Technical Affairs, National Security Council staff

Announcement: nomination of Charles H. Gray to be United States Marshal for the Eastern District of Arkansas

**Released January 26, 1978**

Announcement: list of 50 persons whose nominations were resubmitted to the Senate during the second session of the 95th Congress

News conference: on the President's message to the Congress on highway and transit programs—by Secretary of Transportation Brock Adams

**Released January 27, 1978**

Announcement: information concerning the President's meeting with and letter to Senator Richard Stone on the Panama Canal treaties

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**ACTS APPROVED BY**  
**THE PRESIDENT**

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.



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# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, February 3, 1978

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## Interview With the President

*Remarks and a Question-and-Answer Session  
With American Press Institute Editors.  
January 27, 1978*

THE PRESIDENT. Just reading one of my favorite papers here. [*Laughter*]

Well, I'm particularly grateful to have you come. I know you've had a good session at Reston. And I want to take just a minute to outline some of the things that you might want to discuss with me, and then I'll spend most of the time answering your questions.

### ADMINISTRATION POLICIES

We've now finished a year as the administration in the White House and have learned a lot. I think I have a much better and easier and understanding relationship with the Congress, with my Cabinet—which I consider to be superb—and we've defined issues very carefully. We're trying to carry out our campaign commitments. There's a growing understanding among the American people of what we are trying to do. We're addressing some difficult questions that have been long unaddressed, or at least unsolved. We don't have any magic answers, but I think there's a growing comprehension around the world that we reestablished a true and accurate sense in foreign

policy of what the American people stand for and what we want to have as a characteristic of our own Nation and our own Government.

We're trying to guarantee peaceful resolution of any differences or competition with the Soviet Union. We're trying to add our good will and our good offices in the Middle East when the discussions lag or when there is a problem there in communication among the leaders. I think we are trusted, in general, by all of them who are seeking peace.

We are strengthening our relationship and our involvement and interest in Africa. We've had a good response in Latin America, particularly as a result of successful negotiations with the Panama Canal treaties, which are now being considered by the Senate, as you know.

As I pointed out in the State of the Union message, we had a very successful economic year in our country in 1977. But we still have some chronic problems, particularly unemployment among minority groups and young people and a general uncertainty about the economic future because of a lack of resolution of the energy question, that need to be addressed.

We have gone through, now, one complete budget cycle. And I've put an enormous amount of time in, personally, in the evolution of the fiscal year '79 budget, more than I will for the 1980 or 1981

budgets, because I had to learn about the different, specific programs that are buried deep within the large number of Federal agencies.

I think we have a good prospect of holding the budget basically where it is. It's a tight, conservative budget, but it meets the needs of our people adequately. We'll have an urban policy evolved early in the spring, and we have enough flexibility, I think, to accommodate the specific financial needs there.

This is an election year, and I'll probably put more time in 1978 in working with the Democratic Party, on weekends and so forth, than I did during 1977. We've got a new chairman that was voted on this morning, John White, from Texas, who's a levelheaded, very well-respected man, knowledgeable about politics. And he replaces an excellent chairman, who's a particularly personal friend of mine, Ken Curtis, who came because I personally asked him to and who's done a good job this first year.

So, in foreign affairs, in domestic affairs, in the political side of my responsibilities, I feel very good. I've enjoyed being President.

Our family is closer now than it has been in years. We have got enough to keep Rosalynn and Chip and Jeffrey and Amy and Annette and Caron busy, and they represent me and the American people very well.

Chip is in Israel this week. Rosalynn is doing several things outside the Government, and one that has been particularly gratifying has been the establishment of what she calls the Friendship Force, where we send a planeload of Americans to a foreign country and the same plane brings back a load of foreign visitors to our country.

They stay in private homes; don't stay in hotels. The total cost of the round trip

is \$250. It's a remarkable people-to-people exchange program.

We've already had one from Atlanta to Newcastle, England. Now they'll have another one from Atlanta to Newcastle that they've done on their own. We've had one from Nashville to Caracas. The most recent one is from Hartford, Connecticut, to Tel Aviv, and we've had one from Des Moines to Ireland. And we hope to have 20, maybe 30 this year. But this is all with private funds, no public funds at all.

So, we're trying to do things both in government, in political questions, and also outside of government.

I think the best thing to do would be for me to answer questions that you might have.

## QUESTIONS

### ENERGY

Q. Mr. President, I'm from Indiana. And this year—I'm sure you are aware of the blizzard situation.

THE PRESIDENT. Yes.

Q. It points out the energy problem that in another year—what progress do you think we can make this year as far as the administration is concerned on energy?

THE PRESIDENT. Just a few minutes ago, I signed a proclamation of emergency in Indiana so that we can provide help. And last night, I did one for Ohio. This will permit the legal use of military forces, National Guard, and others, to alleviate the traffic conditions and to reach stranded motorists and others.

Well, we're trying to approach the energy question on a comprehensive basis, and it's a very complicated and difficult and politically divisive issue.

The first natural gas deregulation bill that was vetoed, I think, was by Harry Truman, 27, 28 years ago, so that this is not something new. But I think for the first time the Congress has made tremen-

dous progress in trying to resolve these major differences.

I just finished having lunch with Senator Talmadge, who's on the Finance Committee of the Senate, who's also chairman of the Agriculture Committee, and we discussed farms and energy primarily.

I think that we're flexible enough in the executive branch to deal with almost any reasonable solution that the House and Senate conferees can evolve. There are only three prerequisites as far as I'm concerned. One is to have an increase in conservation, an increase in production, be fair to consumers and, at the same time, not break the Federal budget.

So, within those bounds, which are quite general, I'm flexible. There are some deeply felt opinions on both sides of this issue, based on 20 or 30 years of voting record, and it's hard to get people to accommodate those differences. They've never been able to in the past.

So, I think we have a good chance to have a comprehensive energy bill this year that will at least let the American people know where we are going. I think the uncertainty is one of the crucial problems that we have.

#### THE COAL STRIKE

Q. Mr. President, along those lines, how does your administration view the coal miners strike, and do you think you can or should do anything about it?

THE PRESIDENT. We are doing something about it. You know, we're not acting as direct negotiators; I don't think it's advisable for us to do that until we reach a time when the national security is actually endangered and the law requires me at that point to take a more direct role.

My hope and expectation is that the miners and the coal operators can resolve the differences between them. We are of-

fering the services of the Federal mediator. We're also offering the services of the FBI and others to make sure the Federal laws are carried out. But I'm philosophically adverse to an early entry of the Federal Government into the negotiating process.

Q. How long do you think it will have to go on before it's a threat?

THE PRESIDENT. Well, it depends on the reserve supplies of coal. I think we still have—well, I don't want to put an exact figure on it. We monitor that every week, and Ray Marshall makes a report to me, but we still have several weeks of adequate supply of coal on hand for electric power production, transportation, and industry.

And I would hope and I do expect that the coal contract question can be resolved before the national emergency arises.

#### WAGE AND PRICE INCREASES

Q. Mr. President, earlier today George Schultze spoke to us, and he talked about the voluntary standard of behavior that the administration is asking for businesses to comply with. And he said—of course, there's no regulation, but he said that the administration will assert the public interest. Can you explain to me what this means, how the administration can speak out?

THE PRESIDENT. That was Charlie, Charles Schultze.

Q. Charles Schultze, pardon me, sir.

THE PRESIDENT. Well, we've tried to make this a joint, voluntary effort on the part of government, business, and labor, so that there could be a self-imposed restraint on escalating wages and prices. Here again, I'm not in favor of wage and price controls, either voluntary or mandatory, and the degree to which labor and business will cooperate is really up to them.

I think the first step has already been taken, and that is to draft the proposal in writing and present it to the leaders in business and labor.

The second step has been taken, that is, my public espousal of it in the State of the Union message.

The third step is now under way, whereby, as decisions are made to increase prices and to demand wage increases, they measure the average increases of the last 2 years and try to make sure that the 1978 increases are at least less than they have had average in the last 2 years.

In most cases, a patriotic motivation and one to assuage or to please the public will have at least as much or more effect than any jawboning or pressure from us. We'll offer the good service of the Council on Wage and Price Stability to assess the inflationary impact of proposals.

We're not requiring, for instance—don't have any inclination nor authority to require—that labor unions propose in advance to us the demands that they'll make for fringe benefits, health programs, or for wages, but we just hope that it'll create a tone in the country of generally dampening the inflationary impact. We have now an underlying inflation rate of about 6 or 6½ percent.

So, that's as far as we are inclined to go. And I've met around this table with a fairly large number of the top business men and women in this country, and their response was favorable.

I've had a luncheon last week with President Meany.<sup>1</sup> He expressed some concern about the point that I just raised to you, that they can't submit ahead of time all of the labor union negotiating demands. We don't ask for that. But we hope that in Government, we can also set an example.

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<sup>1</sup> George Meany, president of the AFL-CIO.

But it's a strictly voluntary program that I think can work with the right sort of spirit and tone.

If—the last thing I'll say about it is this—if we tried to be too intrusive in the private sector from the Government, I think there would be an adverse reaction, and the whole thing would fail. So, the degree of voluntary compliance in self-initiated compliance is the measure of whether it'll be successful.

There's no way to answer your question specifically, because it's kind of an ephemeral thing, but I think it can be the source of tangible benefits.

#### HUMAN RIGHTS

Q. Mr. President, on the question of human rights, last Sunday in Warren, Michigan, the Ukrainian people held their 60th anniversary for the independence of the Ukraine. And the array of speakers—some condemned the Helsinki accord—fear that détente, if it was continually pursued, that the rights of the Ukrainian people, the Baltic peoples, would vanish from the political American scene.

In line with that question, you have been very firm on human rights. I would like to know your opinion, the feeling as we pursue the course in human rights in the Soviet Union, particularly countries incorporated—and if I might ask, a personal, ethnic attachment—and the question of the Armenian people. Prior to the election when you met with an Armenian group at the airport in Newark—

THE PRESIDENT. Yes, I remember.

Q. —you issued a statement on the persecution of the Armenian people and the lack of correction of the injustices against them during the time of the Ottoman Empire. Now, this was a rarity in the American Armenian scene for a candidate for that office to speak so.

THE PRESIDENT. Yes.

Q. You had met with American Armenian groups, and a personal question is, do you now, as the President, still feel that strong feeling that you expressed then in Newark?

THE PRESIDENT. Yes. I think, first of all, that the Helsinki agreement has played a useful role. We've never acknowledged, as you know, the absorption by the Soviet Union of the groups to whom you refer. My wife's brother—his wife is an Estonian; she was born and raised there. And we've had a chance in the last few months at Belgrade to specify particular violations of human rights which were in conflict with the Helsinki agreement.

As you know, the Soviets wanted to minimize the so-called third basket and not discuss human rights, but talk about military and political interrelationships.

I think we're making some progress. In my private discussions with foreign leaders—and I set a record last year by meeting with 68 heads of state—hardly ever do we have a 10- or 15-minute or, certainly, not a 3-hour discussion that the subject of human rights doesn't arise. In most instances, they raise it.

My guess is that 2 years ago, the subject of human rights would be a rarity among heads of state. But now, even the most abusive governments, there is a concern—"what does the rest of the world think about me, what will happen if I persecute this group or bring a legal charge against this person?"

I think we are making success in a very slow, tedious way. I notice that this morning—I can't vouch for the accuracy of it—there was a story in the news, for instance, about contending military leaders in Argentina. And the challenging group, I think from the Navy, said that their basis for future success was their deeper commitment to human rights, and they

thought that we might support them because they were more convinced that human rights was a case.

Last night I watched the news, which I don't ordinarily do—I don't get home that early, but I had company—and there was a story about the 10,000 Indonesians who are being released from prison this year. I think there is kind of a subtle thing, but I think that this is one of the major commitments that we've made that has aroused worldwide interest, not always worldwide cooperation. And I don't intend to back down on it ever. As long as I'm in the White House, human rights will be a major consideration of every foreign policy decision that I make, and I might say, also, domestic.

#### CAMPAIGN PLANS

Q. Mr. President, do you plan any campaign trips later this year for Democratic congressional candidates?

THE PRESIDENT. Yes.

Q. If so, where?

THE PRESIDENT. Yes, I'll have several. I think the first one that I'll have will be within the next—probably within the next month or so, probably up in the New England area, and in March I'll probably do another one. I don't know how many I will make. But there will be several.

Did I answer your question?

Q. I'm from Indiana. [*Laughter*] I specifically—would you come to Indiana if Congressman Brademas or Congressman Fithian asked you to?

THE PRESIDENT. Well, I can't make a specific promise, because they haven't invited me. But I was there last year when Congressman Brademas and I were both running, and I visited Indiana frequently during 1976, quite often to help the local candidates and State candidates more than myself, really. I just don't know how to answer your question. I certainly would

look favorably on it, but I can't promise because they haven't asked me, and I hate to just put them on the spot.

But I and several of the members of the Cabinet—we probably would refrain from political involvement by the Secretary of State or Defense or Treasury, but other members of the Cabinet, on the weekends and so forth, would probably help the candidates. And there are no people in the Congress who have been more helpful to me, say, for instance, than Brademas has.

#### NUCLEAR-POWERED SATELLITES

Q. Mr. President, now that the reactor from the Soviet satellite has been found in Canada and found to be highly radioactive, what is your administration planning to do to prevent such mishaps, satellite mishaps, from occurring again, and also, what are your plans for stopping nuclear proliferation in space?

THE PRESIDENT. I had breakfast this morning with Secretary Vance and Dr. Brzezinski, and this is one of the subjects that we discussed.

As you know, we have a longstanding treaty with the Soviet Union preventing any atomic explosions in space. But we were guilty of that a long time ago.

I think it's time to reexamine that question. I believe that this recent incident with the Soviet satellite has shown that we don't have an adequate, guaranteed safety requirement on nuclear fuel in space.

This particular satellite and all those that we've ever launched—I think the first one we put up using nuclear power was in 1965—they have what's called a subcritical mass—there's not enough radioactivity there to cause an explosion under any circumstances. And when the satellite is first launched, it's relatively clean; you could get probably close to it without having radiation. The longer it

burns, the more byproducts are made and the more radioactive they become.

This particular satellite was designed, as are most of them, to be elevated into a higher orbit when it had served its purpose. And when the Soviets attempted to elevate it into a higher orbit, which would have kept it in space for a thousand years or more, some mechanism failed—I don't know the details of it. But I think that we now are in the process of deciding what we can do to minimize this danger from space.

One possibility would be to design such a nuclear powerplant, which is very small, so that it would surely burn completely as it came down through space itself by increasing the drag of friction, and so forth.

Another one would be to have standby mechanisms, so that if the first one failed to eject it into outer orbit, another standby would be required. This is something that we have not yet gone into in any definitive way.

We have a much higher reliance, as you may know, on solar panel power supplies, and we do not rely on the atomic power supplies as much. But you have a good question. It's something that we have not yet addressed with the Soviets, but I'm sure it's something that we will address.

#### CLAIMS AGAINST THE GOVERNMENT

Q. As a resident of the submarine capital of the world, where you at one time spent a couple of years—I'm wondering if you continue some type of a relationship with Rickover, if you will have gotten involved or had any conversations with him concerning General Dynamics Electric Boat Division, which has a more than a half a million dollar—half a billion dollar claim they're trying to settle with the

Navy on submarine cost overruns, and it's a claim that they've had in for some length of time, and it's causing them a lot of financial difficulty.

THE PRESIDENT. The answer to both your questions is yes. [*Laughter*]

I have a continuing relationship with Admiral Rickover, and he and I have discussed the General [Dynamics] Electric Boat claim and also other similar claims that are quite extensive.

We're now trying to decide how to resolve those longstanding claims that'll be fair to the companies involved to keep them solvent, but not to overpay them for the work they've done.

I'll be meeting with the Secretary of Defense and his deputy, I think next week; I have a scheduled meeting with them so that they can give me an up-to-date report on the negotiations that are under way.

Admiral Rickover, you know, is very knowledgeable about this, very strict in protecting the public's interest. And my own commitment and that of Secretary Brown is the same. So, the answer to both of your questions—

Q. You show no bias to submarines?

THE PRESIDENT. I don't know enough about the subject to comment on a particular claim. Obviously, we have an interest in keeping both the publicly owned and the privately owned shipyards functioning well, because we have a longstanding need in the past and in the future for an adequate capability to build our merchant ships and military ships, and we want to protect the financial stability of them.

I went to Electric Boat Company for the first time in 1950 and was in charge of the precommissioning work on the first ship the Navy built after the Second World War and got acquainted with the processes there.

I think part of the problem is that we've given the order for submarines, airplanes, and other equipment quite early and then continued with the advanced design during the same time that construction was already initiated, which means that excessive change orders are required.

We are trying now to do more of the research and development work before we reach the production stage on equipment of all kinds, which would prevent in the future the very large claims that have arisen because of past practices. In order to expedite delivery, quite often the research-development-design phase was going along at the same time we were actually constructing operation models, and then before the pilot models were tested, we went into production on a large scale. That is probably counterproductive in almost every instance, and we're trying to change that.

Harold Brown is a superb man. He's probably as good a technician, as good a scientist, as good an engineer as there is anywhere in the Nation, and at the same time, he's Secretary of Defense.

So, he brings a resource to government that we haven't had in the past, and I think his ability plus that of Charles Duncan,<sup>1</sup> who's a superb businessman, will help to prevent this kind of problem in the future. But how to resolve these past claims that we've inherited is something that I'll have to get involved in personally.

Maybe a couple more questions.

#### PROJECT SEAFARER

Q. Mr. President, staying on, rather briefly, on the subject of submarines, do you favor the submarine communications system in the upper peninsula of Michigan, Project Seafarer?

THE PRESIDENT. Yes. I think we need a submarine communications system of that kind. When a submarine is submerged,

<sup>1</sup> Deputy Secretary of Defense.

it's imperative, in case our Nation's security is directly threatened, to have communication with them.

The only means of fairly rapid communication is with the very low frequency, ultra-low frequency transmissions systems, and there are certain topographical or geological structures in our continent that permit this transmission of signal underneath the land and water.

We are concerned, of course, about the reaction of people in those two States as far as environmental questions are concerned and, also, to assuage their concerns about possible effect of the radio waves that are generated.

So, my answer is yes, I am familiar with it; yes, I do think we need that communication system. But I'm very deeply committed to be sure that nothing is done to disturb the quality of life of the people there.

#### FARM STRIKE

Q. Mr. President, the farm strike has moved from the prairies of Kansas to the streets in Washington, in a sense. I was wondering if there's anything in the administration in the form of recommendations, other than words of sympathy, that would deal with this supposed money plight of the farmer and, if not, if the administration believes that the farmers will indeed plow up the crops next year?

THE PRESIDENT. Well, of course, the '78 crops haven't been planted, except for winter wheat. You know, I'm a farmer, and Senator Talmadge is a farmer. Bob Bergland is a farmer. We have a genuine problem.

I would say that in the last 5 years that the cost of producing most crops has increased a hundred percent, certainly as far as equipment prices, energy prices, fertilizer prices is concerned. At the same time, most commodity prices have in-

creased very little, if at all. The debt that farmers now hold has increased rapidly. The amount of reserve finances in country banks is down below the historical averages.

We do have a good bit of flexibility within the 1977 agricultural act that the Congress passed and I approved last year.

We have large reserve supplies of feed grains, food grains carried over. There's no way to predict what the weather will be this year. We've already initiated a moderate set-aside program at some substantial cost to the Government. And we have about 6 or 7 billion dollars in increased payments authorized to the farmers, because of higher target prices and support prices.

What else needs to be done at this point I haven't decided. The impact of the new farm legislation has not yet been felt on the agricultural community of our country. It only went into effect the first day of October, and of course, it hadn't gone through a crop season yet. I think there will be some benefit at least from that.

I don't see any possibility of lower prices for fuel, nor for fertilizer. I think that there's going to have to be a sober assessment by the farmers themselves of economic circumstances now and in the future.

I live and have always lived among and with farmers. My people have been in—my Carter family has been here over 300 years—we've all been farmers, every generation of us. And it's a characteristic of many farmers to spend this year what you made last year. And I think there's been an inclination with the limited acreage to have a heavier and heavier investment in equipment that's very costly. At the same time, of course, yields have gone up.

In the long run, the food and feed demands with a fixed or dwindling acreage supply will correct the problem. But at the



present time, we have an excess surplus on hand, and as you've shifted from the smaller tractors and livestock cultivation to the very large tractors, you've cut out the windrows and, in effect, you've gone to a fence-to-fence operation.

This has amounted to about, I think, a 50-million acre increase in the land being cultivated. So, with our present set-aside program and the present farm program, we have a step in the right direction. And we will assess other factors, the carryover crops, prospective worldwide production for this 1978 year, the lending capability of farm banks, the amount of debt carried over—we'll analyze all those factors and decide whether to use the flexibility in the present law or to ask for additional legislation. We have not yet decided.

#### SOVIET COSMOS SATELLITE

Q. Mr. President, are you satisfied with the response of the Soviets when you asked for information on the satellite that was burned?

THE PRESIDENT. That's hard to say. We discovered that the satellite was having a problem back in December—I don't remember the exact day.

I made the decision myself to contact the Soviets. We told them that we were aware of the problem, asked them for any information about the satellite, and told them unofficially that we would not try to capitalize on their misfortune in a propaganda way.

We wanted to be sure that the adequate preparation was made for the reentry of the satellite into the atmosphere, and we notified some of our key allies around the world who would have the capability both to monitor the progress of the satellite and also to deal with radioactivity once it fell.

I had a difficult decision to make in how much publicity to bring to this satellite, because it's almost impossible to let people

know the facts without the threat being exaggerated, and we didn't want to create exaggerated fears.

We monitored the satellite constantly. We shared with the Soviets estimates of when it would come down. The exact point of its penetration of the atmosphere was not known until just an hour or two before it crashed, because it was tumbling. And when a satellite of that kind enters the atmosphere, it can skip off and go several thousands of miles further than you have actually anticipated.

We knew that it would fall somewhere between just north of Hawaii, northeast of Hawaii, or the eastern side of Africa. And it was making a great circle route up above the point where it finally fell. That was just about the northern point.

The Soviets did tell us, in general, what kind of reactor it was. They told us that their best estimate was it would burn as it entered the atmosphere.

So, I can't—without going back and checking the exact language of their report to us—I can't say whether they gave us all the facts. But I think it was handled properly; certainly, by us.

I don't know who else the Soviets notified. When I found that it was going to hit Canada, early that morning—I come over here quite early in the morning—I called the Prime Minister of Canada and talked to him on the phone. And we were pretty lucky in telling him where it was going into the atmosphere. We had it on radar.

But in retrospect, it may be that the Soviets could have given us more information. I think they probably gave us about what we would have given them in a similar circumstance.

MR. WURFEL. Thank you, sir.

THE PRESIDENT. I've enjoyed talking to you very much. It's always a pleasure to have you here. It helps me to have your questions. We tend to get a Wash-

ington perspective with the permanent White House press corps and a permanent—at least a temporary White House resident—[laughter]—and it adds a new perspective to—a different perspective to the news coverage, to hear what is of concern to you and your readers and listeners and viewers.

Thank you very much for coming.

NOTE: The interview began at 1 p.m. in the Cabinet Room at the White House. Walter W. Wurfel is Deputy Press Secretary.

The transcript of the interview was released on January 28.

## 10th Anniversary of Ford's Theatre

*Remarks at a White House Reception.  
January 29, 1978*

It's a great honor for me as President of the United States to welcome all of you here.

First of all, I would like to thank you for your own interest in Ford Theatre and for your generosity in keeping it a live tribute to the past and an opportunity for the future.

Many of you are performers or composers or writers, and I want to thank you also for keeping this wonderful spirit alive.

It's a great honor to have the chairperson of this year's event with us, Millie O'Neill. And I'd like for us to recognize her now.

I think all of you know that 10 years ago this month—I think the 30th of January, 1968—Ford Theatre was opened again, after more than a hundred years of being closed, as a tribute to President Lincoln, who was killed there in April of 1965 [1865]. As a result of that tragedy for our country, there was a shock that went through the consciousness of our Nation.

That was the same month that the war ended. And people from the North and South began to rebuild what had been rent apart.

But it wasn't the character of Lincoln to have a source of entertainment, tragedy, and humor kept closed and isolated from the people of our Nation. And so a unique occurrence has been recognized tonight that happened 10 years ago, when a national historical site was opened, not as a museum, a closed or a dead thing just to be looked at and admired, but an open and a live thing which is the source of both entertainment and inspiration for us all.

I think that you know that Frankie Hewitt has been an integral part of that evolution. And I know from studying the history of the theatre that it could have gone the other way. Not only has it been innovative but its quality has not been that of the first showing of entertainment that later died, just to say that we had a temporary accomplishment. It's been the birthplace of quality entertainment, which has gone on to thrill the whole Nation. And there's been a reaching out and an offering of new opportunities for those who provide this delightful experience for all Americans.

So, as a southerner, as a President, I would like to say that I'm very proud of all of you for helping to unite the consciousness of our Nation to remember the past, but also to prepare for the future with confidence and also with pleasure. That's the way President Lincoln would have liked it. And you've honored him in performing as you have in keeping Ford Theatre alive.

Thank you very much.

NOTE: The President spoke at 5:28 p.m. in the East Room at the White House. In his remarks, he referred to Mildred A. O'Neill, general chairman of the anniversary celebration,

and Frankie Hewitt, executive producer of Ford's Theatre.

Following the reception, the President and Mrs. Carter and their guests attended a performance at the theatre.

## THE PRESIDENT'S NEWS CONFERENCE OF JANUARY 30, 1978

THE PRESIDENT. Good afternoon. I have two brief opening statements to make.

### DOMESTIC PROGRAMS

The first one involves the major domestic programs that we will pursue in 1978. I would like to review briefly for you my proposals for reforming the tax system, for reducing taxes, for continuing to reduce the unemployment rate, and for preventing and controlling inflation.

These proposals are the centerpiece of the administration's economic program for 1978. Economic policy depends for its success on a very careful balance between different interests, between sometimes conflicting national needs, between doing too much on the one hand, doing too little on the other. To modify one element of a balanced plan can often destroy this balance and can aggravate our economic problems.

I want to emphasize four elements of our proposals that carefully preserve this balance.

First, there's tax reductions. We propose a net tax reduction of \$25 billion designed to create almost a million new jobs by the end of 1978. (The President meant to say 1979.)<sup>1</sup> If they are enacted, the economy should continue to grow at a rate of about 4½ to 5 percent, and unemployment should fall below 6 percent

by the end of next year. For the vast majority of taxpayers, these reductions will offset the increase in rates that was necessary to prevent bankruptcy of our social security system. For 1978 there will be three times as much tax reduction as there is tax increase for the social security system. And the same ratio, 3 to 1, will prevail in 1979.

Second, our tax reform proposals allow us to have an immediate tax reduction while making substantial progress toward comprehensive reform, a simpler and a fairer tax system. Without these needed reforms, we would not be able to afford so large a tax reduction. They comprise about \$9 billion in savings, at the same time providing equality and fairness.

Third is jobs. I've asked for over \$700 million more in new funds for youth jobs and, in addition, have asked the Congress to continue the high level of public service jobs for 1979, which is about twice as much as a year ago. In addition, I will shortly forward to the Congress a \$400 million program to encourage private businesses to hire the hardcore unemployed. We are balancing the need for public service jobs with the need for private opportunities to reduce unemployment.

And fourth, inflation: Our program is voluntary, requiring the cooperation of government, business, labor, and all our citizens. I've asked each group to hold its increases in wages and prices below the level that it averaged in increases for the last 2 years.

This fair and flexible program and voluntary program will not stop inflation overnight. But it's our best hope for bringing it under control. We simply cannot let inflation overtake us without taking action.

In sum, we proposed an economic program which is balanced. It will not please everyone. As I said in my State of the

<sup>1</sup> Printed in the transcript.

Union address, we cannot do everything for everybody. We must be willing to face difficult decisions.

In developing our economic program, we've made difficult decisions, and we propose an economic proposal or program that will sustain growth, that will increase employment, and reduce inflation.

#### SOVIET COSMOS SATELLITE

The other thing I would like to do very briefly is to outline the history of the Soviet satellite, the Cosmos 954. This satellite, which had a nuclear power source on it, was launched on the 18th of September, last year. It was obvious to us later on that the Soviets were having trouble controlling the satellite. On the 19th of December, we set up a small task force in the White House. On the 6th of January, we felt that control had been lost, and I decided personally to notify the Soviets on the 12th of January that we were aware of their problems, to offer our help in monitoring the path of the satellite, and to begin preparing jointly to predict where it would fall and also to prepare for handling it if it should contact the Earth.

The Soviets replied that it was designed so that it would be destroyed as it came back into Earth, and it was designed also so there was no possibility of an atomic explosion.

On the 17th and 18th of January, we notified the key congressional leaders, some of our allies around the world who were capable of joining us in a tracking effort. And the Soviets a day later, on the 19th, repeated their comment it will not explode.

On the 22d of January, we went back to the Soviets to ask them to give us an update to confirm the information we had from monitoring sources. And on the 23d of January, the Soviets notified us that it would probably enter the atmosphere the following day, which is the 24th.

Early on the morning of the 24th, I was notified that the satellite would enter the atmosphere quite early. We did not know whether it would hit between Hawaii on a very high curve up to the northern part of Canada or the western coast of Africa, because sometimes the satellites can skip from one place to another as they enter the atmosphere. It, as you know, entered the atmosphere in Canada.

I immediately called Prime Minister Pierre Trudeau, informed him about the approximate location, which later turned out to be accurate. And on the 29th, as you know, just recently, the remains of the satellite have been recovered.

The last satellite we put into Earth orbit with an atomic power source was in 1965. This satellite at the conclusion of its useful life was raised into a higher orbit that has a lifespan of at least 4,000 years.

I think we need to have more rigid safety precautions assured among all nations in Earth-orbiting satellites. In fact, we would be glad to forgo the deployment of any such satellite altogether and will pursue that option along with the Soviet Union.

The only time a satellite needs a long-lasting power source that's free of the use of solar energy, which can be derived from the Sun, is when you go into deep outer space. For instance, if we send a probe to the outer planets, there would not be adequate source of energy from the Sun to trigger our solar cells, and we might need power from atomic sources then.

But I see no reason for us to continue with the option of nations to have Earth-orbiting satellites unless much more advanced safety precautions can be initiated.

#### QUESTIONS

##### U.S. ARMS SALES IN THE MIDDLE EAST

Q. Mr. President, since I assume the subject will come up when you meet with

President Sadat, could you give us a general outline of your view toward our helping Egypt acquire arms?

THE PRESIDENT. We have been, of course, facing the continuing prospect for a number of years of providing some weapons into the Mideast, heavily to Israel, also to Saudi Arabia, to Iran, and to some degree, the nonattack weapons to Egypt.

All these nations have requests to us for weapons. They've been committed to those nations to some degree by my two predecessors and reconfirmed in some instances by me.

The National Security Council will make a report to me early this week recommending from the State Department, from the Defense Department, from the national security adviser, what weapons to recommend to the Congress. After that point, the Congress will have a 30-day plus a 21-day period to respond affirmatively or not. I will decide later on this week what to recommend to the Congress.

The Egyptians have, in the past, requested F-5E fighter planes, one that is used extensively around the world for export purposes primarily, and Israel and Saudi Arabia have requested other weapons. They have some F-5's.

U.S. ATTORNEY DAVID MARSTON

Q. Mr. President, have you seen anything improper in the handling of the Marston affair? Have you learned any lessons from it and all of its ramifications, and do you contemplate any changes in procedures for appointing and removing U.S. attorneys?

THE PRESIDENT. In the first place, I see nothing improper in the handling of the case. I made a campaign commitment that any appointee to a position as U.S. attorney or a judgeship would be appointed on the basis of merit, and this campaign commitment will be carried out.

There has also been a statement made by me during the campaign that, all other factors equal, that I would choose someone for those positions, or even for the Supreme Court, whose basic political philosophy was compatible with mine. The fact is that at this point we have about one-third of the U.S. attorneys around the country who are Republicans. I think when I took office, only three Democrats were in office. And I don't think that Nixon or Ford appointed any Democrats during the 8-year period. So far as I know, they haven't.

I think that the Attorney General has handled the case as well as possible. I explained to you at the last press conference what I knew about the facts then, and so far as I know, there is no impropriety at all. I understand from the Attorney General that he has now received recommendations for five highly qualified nominees to take over that responsibility. He will begin interviewing them tomorrow. And the likelihood is that he would make a selection this week.

Q. Mr. President, but isn't it time to depoliticize the Justice Department, and in that direction, how about an end to the political firings of Federal judges and prosecutors wholly apart from seeing to it that their Democratic replacements are highly qualified?

THE PRESIDENT. Well, I think we've moved strongly in that direction. Obviously, a Federal judge is not subject to be removed. The Constitution gives the President a responsibility to appoint those officials if confirmed by the Senate. And, of course, a U.S. attorney can be fired or discharged from office only by the President himself. That does not apply to Federal judges. They, as you know, serve for life.

We have, I think, moved a great step in that direction. Over a period of many generations, the Members of the Senate have become heavily involved in recom-

mendations for judges. Now, since I've been in office, we have set up selection boards for all circuit judges. And I think in 15 States the Senators—which is a new development—have now set up selection boards to recommend highly qualified district judges. But I agree with you that this is a move that we should make.

I think you will notice that when we have made selections for, say, circuit judges or when we've made two selections now for Director of the FBI, there were Republicans involved, I think, in both cases for the FBI.

Q. But how about setting up an independent blue ribbon committee that would monitor firings, as well as appointments, deciding each case on the merits, not on politics?

THE PRESIDENT. The Attorney General in the speech in May, and preceding that in March, advocated that this general procedure be followed. I don't remember the exact text of that speech. But I believe in every instance when the results have been made known that there has been no criticism of the person chosen. In some instances, U.S. Senators have specifically come forward and advocated that a Republican U.S. attorney be kept in office.

I remember once in particular in New York that Pat Moynihan said to keep the Republicans in office, and we've done so.

#### THE MIDDLE EAST

Q. Mr. President, on the Middle East, do you have a clear idea now from Prime Minister Begin as to whether or not he will authorize new settlements in the West Bank and in the Sinai, and do you believe that Israel over a period of time ought to phase out those settlements in return for real peace?

THE PRESIDENT. Well, I've covered this many times. Our position on settlements in the occupied territory has been that they are illegal, that they are an ob-

stacle to peace. When Prime Minister Begin was over here and when Foreign Minister Dayan was here, this question arose. And my understanding of their commitment was that no new settlements would be authorized by the government, that any increase in settlers would be an expansion of existing settlements as much as possible within the aegis of the military.

The Geneva conference agreement is that civilians should not go in to settle permanently in occupied territories. I think the Israeli Government has not authorized the Shilo settlement other than as an archeological exploration project. And I've not yet heard from Prime Minister Begin directly, but I have had information that this is a policy of the Israeli Government, that this is not an authorized settlement.

#### U.S. ATTORNEY MARSTON

Q. Mr. President, just to sort of complete the record on that Marston case. On the morning of January 12, according to your statement at the Justice Department, you learned that a Member of Congress was of investigative interest to either the Justice Department or the U.S. attorney. Later that day at your news conference, you said, "As far as any investigation of Members of Congress, however, I'm not familiar with that at all, and it was never mentioned to me." Do you see any conflict there?

THE PRESIDENT. No, I don't. I think if you read the question to which I referred, it's obviously related to whether or not I had known anything about any investigation in November. And the answer was no, no discussion ever had been made. The only inkling I had at all that Mr. Eilberg was involved with an investigation was that Frank Moore mentioned, just as I was leaving my office to come over for the press conference, that his name had

been raised in conjunction with an investigation. I was not told at that time and had no idea that he was being investigated himself, Eilberg.

Q. Mr. President, could you tell us—this question goes more to philosophy, I guess, than anything—could you tell us why you felt compelled to respond to a phone call from a Congressman in Philadelphia to, as you put it, expedite the removal of a U.S. attorney, one of more than 90 in the country? And secondly, do you really believe that these actions by your administration over the last 2 or 3 weeks with regard to Mr. Marston square, really square with the commitment you made in your campaign to remove the Justice Department from the spoils system traditional to American politics?

THE PRESIDENT. To answer your last question first, yes, I do think that our actions are compatible with my campaign statements, which I've said earlier. On an average day, I get either personal letters from Congress Members or telephone calls about 10 or 12 inquiries or requests for the replacement of a public official or the appointment of someone to fill a vacancy. In most instances, as relates to the Federal judiciary, the inquiries or recommendations come from U.S. Senators.

In historical terms, when both Senators are Republican Senators, then the Members of Congress and the Governors are consulted on who are qualified people and so forth. This was a routine matter for me, and I did not consider my taking the telephone call from Congressman Eilberg, nor relaying his request to the Attorney General, to be ill-advised at all. If it occurred now, I would do the same.

#### THE MIDDLE EAST

Q. Mr. President, do you have an overall view of the final borders you would like to see for Israel? Do you expect Israel to

return to the 1967 borders in all aspects, especially in East Jerusalem?

THE PRESIDENT. No. I don't have a map or a plan that ought to be the final border delineation between Israel and her neighbors. I have always operated and made my statements under the framework and within the constraints of United Nations Resolution 242, which calls for Israel to withdraw from occupied territories.

Israel interprets this language differently, of course, from the Arab neighbors. The Arab neighbors say that Israel ought to withdraw from all occupied territories. Israel says that there's some flexibility there and that the thrust of U.N. Resolution 242 is an exchange, in effect, for portions of the occupied territory for guaranteed peace.

The three elements that I've pursued is, one, a delineation of final borders; secondly, a feeling or conviction on the part of the Israelis that their security was preserved, which would involve both their own military strength, the delineation of the borders, and the attitude now and in the future of their neighbors.

The second question, of course, is the definition of real peace. What does peace mean? Does it simply mean a cessation of hostility or belligerency, or does it mean open borders, trade, tourism, diplomatic exchange, the location of ambassadors, and so forth?

I've taken the more definitive definition as my own preference. And the other thing, of course, is to deal in all its aspects with the Palestinian question.

But I have never tried to put forward in my own mind or to any of the Middle-eastern leaders a map in saying this is where the lines should be drawn.

#### THE COAL STRIKE

Q. Mr. President, Energy Secretary Schlesinger has expressed some recent

concern about the duration of the coal strike. I wonder what extent you share that concern and whether you might see the necessity to use Taft-Hartley.

THE PRESIDENT. Well, we are very hopeful that the coal mine operators and the United Coal Workers will expedite a resolution of their differences. This past weekend the news was not good. I see no immediate prospect of having to exercise the Taft-Hartley provisions. It only provides for the President the authority to intercede if the national security is in danger. And we certainly have not arrived at that point yet.

There are some things that we can do, and I've discussed them with the entire Cabinet this morning and, of course, with Secretary Schlesinger in particular. The gaseous diffusion plants for the production of atomic fuels, for instance, are heavy users of energy. We are reducing the power consumed by them.

There is a need for citizens who live in the heavily hit regions, because of the snowstorms, to cut down on consumption of energy because transportation won't let even the available supplies come into those regions. But I have no present intention at all of trying to intercede nor to exercise my authority under the Taft-Hartley Act.

#### NUCLEAR-POWERED SATELLITES

Q. Mr. President, regarding your concern about satellites and the safety precautions, in taking this up with the Russians, will you try to dissuade them from their practice of putting nuclear reactors into space in the future?

THE PRESIDENT. Yes, certainly in Earth orbit. I think that this is something that we should explore. There are two factors though. One is to try to evolve a sure-fire safety requirement that would prevent a recurrence of any atomic active material reaching the Earth or the atmos-

phere where human beings might breathe it. If we cannot evolve those fail-safe methods, then I think there ought to be a total prohibition against Earth-orbiting satellites.

I would favor at this moment an agreement with the Soviets to prohibit Earth-orbiting satellites with atomic radiation material in them.

#### SOVIET COSMOS SATELLITE

Q. Mr. President, do you have any idea what the deal is on that satellite up there? We get all these reports. One day it's not radioactive; the next day it is. Do you have any late information about just what the status of that thing is? Or whether there is any danger?

THE PRESIDENT. No, I know nothing at this point that hasn't already been put into the press. One, I do know that they've located a crater, about a 9-foot dimension, that it is radioactive, and that a search group from one of our own helicopters working with the Canadians is at the site. But the configuration of the remains of the satellite or whether or not they are now retrieving it from the riverbed where it's located, I do not know.

#### UNDOCUMENTED ALIENS

Q. Mr. President, last August in your immigration message, you said you were not considering reintroduction of a *bracero*-type program for the temporary importation of farm workers.

Last week, Secretary Bergland down in Mexico City had an airport press conference at which he apparently gave some Mexican newspapers the idea that we were considering such a program and were considering importing 3 million *braceros*, and they've been writing a lot of stories about it. He has tried to deny it. Could you state your position on it, sir?



THE PRESIDENT. We have no plans whatsoever to reinstate a *bracero* program. Our own proposal to deal with the undocumented workers or illegal alien question has already been submitted to the public, and that encompasses what we proposed. It does not comprise a *bracero*-type program.

#### SOVIET SATELLITE CAPABILITIES

Q. There are reports that the Soviets have or soon will have the capability to disrupt our sending of military orders by satellites. Can you tell us whether they are accurate or not?

THE PRESIDENT. My information is that that report is not accurate.

#### NAZI DEMONSTRATION IN SKOKIE, ILLINOIS

Q. Mr. President, there's a group of American Nazis in Skokie, a suburb of Chicago, which is contemplating a march that's in a predominantly Jewish neighborhood, and there might be victims there of the Nazi concentration camps from World War II. Do you have any plan to use the moral weight of your office to try to discourage this kind of a march?

THE PRESIDENT. I deplore it. I wish that this demonstration of an abhorrent political and social philosophy would not be present at all. This is a matter that is in the American Federal courts, as you know, and under the framework of the constitutional guarantee for free speech. I believe under carefully controlled conditions the courts have ruled that it is legal and that they have a right to act this way.

We have the same problem, as you know, in other parts of the Nation—in the South with the Ku Klux Klan, and others. And I don't have any inclination to intercede further. I think it's best to leave it in the hands of the court.

#### PLANS FOLLOWING TERM IN OFFICE

Q. Mr. President, is it true that you plan to become a missionary after leaving

office, and if so, how soon after leaving, for how long and where—[laughter]—and if I can pursue it, have you discussed this with Mrs. Carter? [Laughter]

THE PRESIDENT. Well, I discussed it with my wife, who was a member of the Sunday school class that I taught yesterday morning.

I have, as a Baptist layman, been part of a group that advocated an expanded church mission program, but I've not decided whether or not I would want to be a missionary after I complete my term as President.

#### DOMESTIC SURVEILLANCE

Q. Mr. President, on March 15th of 1976, you told the Chicago Council on Foreign Relations that the American people have had their fill of covert manipulation. The Executive order you signed last week, January 24, provides a procedure for the NSC to approve covert manipulation. Now, I'm wondering, if the American people have had their fill of covert manipulation, why you are continuing to provide this procedure for allowing it?

THE PRESIDENT. I don't believe that the Executive order would permit, as you call it, covert manipulations. It does permit the surveillance of certain groups in the United States. The only way that an American citizen can be put under surveillance, clandestine or secret surveillance, is as a result of an order by a Federal judge with a warrant.

If someone is strongly suspected of being an agent of a foreign power, working against the security of our country, then with the approval of the Attorney General to assure that it is a proper function and with my own approval, too, that is permitted.

But that's no departure from any past—

Q. I am talking about Section 1-302. It says the SCC, the Special Coordination Committee, "shall consider and submit to the President a policy recommendation, including all dissents, on [each] special activity." And then Section 4-212 defines special activities as "activities conducted abroad in support of national foreign policy objectives . . . which are planned and executed so that the role of the United States Government is not apparent or acknowledged publicly"—which seems to be a covert operation.

THE PRESIDENT. Well, covert, as you know, has a meaning of nonpublicized or secret. Under any circumstances where we feel that it's necessary to have a so-called covert action of any kind overseas, then it has to be decided in the White House. The President is notified and approves it personally. The Secretary of State and the Attorney General are involved, and the congressional intelligence committees are also informed. And so, this is a very careful prevention of any abuse if that should ever become necessary.

#### PARITY FOR FARMERS

Q. Mr. President, could I ask you about the farmers' demands for 100 percent parity? They've been outside the White House gates several times recently.

Have you ever stated that you are flatly opposed to 100 percent parity, and if so—if not, what are your views on that specific demand; secondly, what would 100 percent parity cost in terms of increasing the Federal budget; and thirdly, what would it cost the American consumer?

THE PRESIDENT. I would guess, to guarantee 100 percent parity for every farm product would cost \$20 or \$25 billion in the Federal budget. It would also mean that the price of American farm products would be extraordinarily high and that they would be noncompetitive in international markets.

I think the request for or demand for 100 percent of parity is not well founded. There needs to be some flexibility obviously, and that's what is provided under the 1977 agricultural act.

This act, I believe, will go a long way toward meeting the legitimate needs of the American farmer. It only became effective the first day of October 1977. It's not been effective yet for a crop season, and we, in implementing that bill, will have greatly expanded financial benefits for the American farmer, increased support prices and target prices.

Also, we've had a very fine and successful effort for foreign sales, and in establishing a reserve supply of feed grains and food grains primarily held and controlled by farmers, I think will bring some stability to the marketplace and prevent the wild fluctuations which hurt the farmer and consumer. But 100 percent of parity, in my opinion, would be too costly.

#### TAX REDUCTION AND REFORM

Q. Mr. President, your Treasury Secretary this morning told the Ways and Means Committee that you would rather swallow a cut in your tax cuts rather than increase the \$60 billion deficit. How are you going to deal with Chairman Ullman's intention to trim the reforms and probably trim the tax cuts, too?

THE PRESIDENT. Well, you know, Chairman Ullman is obviously entitled to his opinion, and I have never claimed that we had complete compatibility of opinion between myself and the chairmen of the committees either in the House or Senate.

As I pointed out in my opening statement, our entire economic package is a well-balanced one, and without the tax reforms which comprise about \$9 billion, it will not be possible to have even a \$25 billion tax reduction without a very serious additional Federal deficit. I think the Federal deficit is enough. I wish it was

much lower. And I intend to reduce it year by year until the end of my term.

We could have had about a \$20 billion lower Federal deficit had we not advocated a tax cut. But there you have to balance off the advantages from a tax cut that's substantial and reducing the Federal deficit in a very rigid way. I think we made the right choice.

We also have to deal with the jobs programs, and we had an increase in Federal spending to put our people back to work, to cut down the unemployment rate. At the same time, we can't stimulate the economy too much or we'd run into increased rate of inflation.

So, those four factors have to go together, and I think we've put them together in a very careful way. If the Congress should change any of those factors, which I hope they will not, then we'd have to use our own influence in the Congress and with the American people to try to induce them to accept some reasonable alternative which would still keep a balanced economic package.

FRANK CORMIER [Associated Press]. Thank you, Mr. President.

THE PRESIDENT. Thank you very much.

NOTE: President Carter's twenty-fourth news conference began at 2:30 p.m. in Room 450 of the Old Executive Office Building. It was broadcast live on radio and television.

## White House Conference on Families

*Statement Announcing the Conference.  
January 30, 1978*

In order to help stimulate a national discussion of the state of American families, I will convene a White House Conference on Families in Washington, D.C., December 9-13, 1979.

Families are both the foundation of American society and its most important institution. In a world becoming more complex every day, our families remain the most lasting influence on our lives.

I am confident that the American family is basically sound and that we can and will adjust to the challenges of changing times. Yet American families confront growing problems. Two out of five marriages now end in divorce. One child in eight is born outside of marriage. A million young Americans now run away from home each year. In the face of these difficulties, I am encouraged by the increasing interest in the state of the family by people from all walks of life.

The main purpose of this White House Conference will be to examine the strengths of American families, the difficulties they face, and the ways in which family life is affected by public policies. The Conference will examine the important effects that the world of work, the mass media, the court system, private institutions, and other major facets of our society have on American families.

This Conference will clearly recognize the pluralism of family life in America. The widely differing regional, religious, cultural, and ethnic heritages of our country affect family life and contribute to its diversity and strength. Families also differ in age and composition. There are families in which several generations live together, families with two parents or one, and families with or without children. The Conference will respect this diversity.

The work of this Conference, in conjunction with our current efforts to implement family-oriented government policies, can help strengthen and support this most vital and enduring social resource. I look forward to participating in the work of the Conference and receiving its report.

## Council on Wage and Price Stability

*Message to the Congress Transmitting a Report. January 31, 1978*

*To the Congress of the United States:*

In accordance with Section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the eleventh quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the second quarter of 1977 in monitoring both prices and wages in the private sector and various Federal Government activities that lead to higher costs and prices without creating commensurate benefits. It discusses Council reports and analyses concerning the following matters: (1) the collective bargaining agreement reached in the steel industry; (2) the availability of home insulation materials; (3) prospects for a fertilizer shortage; (4) the prices of bakery products; (5) the price behavior of auto parts; and (6) U.S. production capacity of cement. The report also discusses the Council's filings before Federal regulatory agencies.

The Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

JIMMY CARTER

The White House,  
January 30, 1978.

NOTE: The report is entitled "Quarterly Report: July 1977—Council on Wage and Price Stability, Executive Office of the President, Washington, D.C., No. 11" (Government Printing Office, 39 pages).

## National Council on the Arts

*Renomination of Three Members.  
January 30, 1978*

The President today announced that he will renominate Theodore Bikel, Maureen Dees, and Jacob Lawrence to be members of the National Council on the Arts. All three were originally nominated on November 14, 1977. Dees and Lawrence were nominated at that time for terms expiring September 3, 1978; their renominations today are for terms expiring January 26, 1984.

## Telecommunications Minority Assistance Program

*Announcement of Administration Program.  
January 31, 1978*

The Carter administration today announced a program to increase minority ownership in electronic communications. The program will encourage minority ownership of broadcast and cable television facilities and increase the flow of Federal advertising dollars to minority-owned stations, publications, and advertising and production firms.

Because of telecommunications' vital role in social, economic, and political progress, full minority participation is a critical component of President Carter's economic and social policy goals. Minority ownership markedly serves the public interest, for it ensures the sustained and increased sensitivity to minority audiences. Today, fewer than 1 percent of the Nation's commercial and public radio and television stations and cable television systems are owned or controlled by minorities.

Historically, minorities seeking broadcast ownership have faced:

- difficulty obtaining initial financing;
- a shortage of available properties because most communications assignments were made years ago;
- barriers to technical training and employment opportunities;
- difficulty in attracting advertising to support operations.

The administration seeks to remove these barriers with a comprehensive package including:

- urging the Federal Communications Commission to adopt a minority ownership policy;
- changes in loan policies of the Small Business Administration and the Economic Development Administration;
- initiating an American Indian ownership and training program at the Department of Labor;
- changes in the Public Broadcasting Act to make more public broadcasting facilities money available to minorities;
- developing Federal guidelines to help ensure more agency advertising money for minority outlets and advertising firms;
- working with communications industry and professional groups which are developing minority ownership assistance programs.

A petition filed today with the FCC was signed by the Office of Telecommunications Policy and the Department of Commerce on behalf of the administration. It urged the FCC to establish a policy promoting ownership of broadcast facilities by minorities in areas with minority populations. If adopted, the policy would justify modifications of other Commission policies and rules in all areas of FCC license processing so that more broadcast properties and funding prospects would be available for minority applicants.

The petition suggests:

—In comparative hearings (more than one applicant) for licenses, a preference be given to applicants where minorities participate in ownership.

—In the noncomparative licensing process, the Commission should take various steps, including:

- expedite the processing of minority applications;
- permit minorities to operate stations part-time through extensive brokerage of broadcast time, giving minority entrepreneurs an opportunity to develop management experience;
- adopt the National Association of Broadcasters proposal permitting deferral of capital gains taxes for broadcasters who sell their stations to minority entrepreneurs;
- make minority ownership a basis for waiving limitations on the number of television stations one owner may acquire in the 50 largest television markets;
- lessen the financial requirements for minority applicants to facilitate licensing;
- adopt the Congressional Black Caucus proposal to permit sales at reduced prices of stations designated for license renewal or revocation hearings to groups with at least 50 percent minority ownership.

To ease initial financing problems, the SBA and the EDA have announced rule changes to extend their loan and loan guarantee programs to broadcast and cable facilities. The SBA program will extend direct loans of up to \$350,000 and guarantee loans up to \$500,000 to individuals or groups wishing to buy cable and broadcast properties. The EDA will extend its loan program to broadcasting and cable consistent with its job-ratio requirement of creating one direct job for

every \$10,000 expended and/or where EDA has invested considerable resources in a community's development. Both agencies intend minorities to be the major beneficiaries of their rule changes.

The Department of Labor has launched a program to assist native American communities in starting communications facilities. The program will provide training coordinated with various Government loan programs.

Public broadcasting would be further opened to minorities by President Carter's Public Broadcasting Act, proposed in October 1977. The bill would change the grant program for public broadcasting facilities to make minority control a primary consideration for choosing grantees.

In addition, the administration program addresses Federal agencies' advertising programs. The Office of Federal Procurement Policy, Office of Management and Budget, is working with the Department of Defense, AMTRAK, the Postal Service, and other agencies which advertise to establish by June 1978 policies and procedures to increase the flow of Federal advertising business to minority-owned advertising and production firms and to minority-owned media.

The administration also has been coordinating with professional and industry groups in seeking to promote minority assistance programs:

—The National Association of Broadcasters has formed a Minority Ownership Task Force with representatives from the broadcasting industry, civil rights organizations, and foundations to develop financial assistance and other remedies for potential minority broadcast owners.

—The National Radio Broadcasters Association has drafted a program to establish an information clearinghouse on available radio properties and a "buddy

system," making management and financing assistance available to qualified potential and existing minority broadcasters.

—The National Cable Television Association, through a program it established a year ago, has helped establish the American Association of Cable Television Owners, an organization to assist minorities in obtaining debt financing for cable television. In addition, NCTA has formed an advisory committee of financiers and cable brokers who give free assistance to minority cable franchise holders and who are working with the financial community to bring them together with minority cable franchisees.

—The Federal Communications Bar Association has established a free and reduced fee legal assistance program for qualified minorities.

—The American Association of Advertising Agencies (AAAA) has formed a Task Force of the AAAA, the Association of National Advertisers, the American Research Foundation, and minority station owners to examine the methods employed by rating services in measuring minority audiences and the industry's advertising selling practices as they relate to minority outlets.

The administration program was developed by the Office of Telecommunications Policy and the White House staff as part of President Carter's efforts to aid minority business. Coordination of the program will be assumed by the National Telecommunications and Information Administration in the Commerce Department when it replaces OTP upon implementation of Reorganization Plan No. 1. In the future, the program will include initiatives in advertising and rating practices and minority participation in the development of emerging telecommunications services.

## National Defense Transportation Day and National Transportation Week, 1978

**Proclamation 4548. January 31, 1978**

*By the President of the United States of America*

### A Proclamation

The United States is a nation dependent on mobility. Transportation helps maintain our prosperity, ensure our national defense, and bind us together as a people. An efficient transportation network is important to maintain our quality of life and help our Nation conserve precious petroleum.

Recognizing the fundamental relationship between transportation and our Nation's welfare, the Congress has requested the President to proclaim annually the third Friday in May as National Defense Transportation Day and the week in which that day falls as National Transportation Week (71 Stat. 30, 36 U.S.C. 160; 76 Stat. 69, 36 U.S.C. 166).

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate Friday, May 19, 1978, as National Defense Transportation Day, and the week beginning May 14, 1978, as National Transportation Week.

I urge the Governors of our States and other appropriate officials, organizations concerned with transportation, and the people of the United States to join with the Department of Transportation in observing this day and week.

IN WITNESS WHEREOF, I have hereunto set my hand this thirty-first day of January, in the year of our Lord nineteen hundred seventy-eight, and of the Inde-

pendence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 3:31 p.m., January 31, 1978]

## Civil Aeronautics Board

**Executive Order 12037. January 31, 1978**

### EXEMPTION OF G. JOSEPH MINETTI FROM MANDATORY RETIREMENT

G. Joseph Minetti, Member, Civil Aeronautics Board, became subject to mandatory retirement for age on July 31, 1977, under the provisions of Section 8335 of Title 5 of the United States Code unless exempted by Executive Order. Mr. Minetti was exempted from mandatory retirement until September 30, 1977, by Executive Order No. 12006 of July 29, 1977, until October 31, 1977, by Executive Order No. 12011 of September 30, 1977, and until January 31, 1978, by Executive Order No. 12016 of October 31, 1977.

In my judgment, the public interest requires that G. Joseph Minetti continue to be exempted from such mandatory retirement.

NOW, THEREFORE, by virtue of the authority vested in me by subsection (c) of Section 8335 of Title 5 of the United States Code, I hereby exempt G. Joseph Minetti from mandatory retirement until May 1, 1978.

JIMMY CARTER

The White House,  
January 31, 1978.

[Filed with the Office of the Federal Register, 10:43 a.m., February 1, 1978]

## Conventional Arms Transfer Policy

*Statement by the President.  
February 1, 1978*

The United States Government, the executive branch and the Congress, are pledged to bring about a reduction in the trade in conventional arms. Last year, I promised to begin reducing U.S. arms sales as a necessary first step. I will continue that policy this year.

In the last fiscal year, the previous administration and my administration made sales commitments totaling many billions of dollars. While high, however, the total was considerably less than it would have been in the absence of new restraints we introduced, particularly in sales commitments to the developing countries of the world. Between January 20 and the close of the fiscal year, I approved and sent to Congress arms sales totaling \$5.7 billion, which is less than half the total approved during the same period in 1976.

Today, I am announcing that arms transfer agreements covered by the ceiling which I have established will be reduced by \$740 million in fiscal year 1978. This means that for the fiscal year which began on October 1, 1977, and which will end on September 30, 1978, new commitments under the Foreign Military Sales and Military Assistance programs for weapons and weapons-related items to all countries except NATO, Japan, Australia, and New Zealand will not exceed \$8.6 billion. The comparable figure for fiscal year 1977 was \$9.3 billion. This is a reduction of 8 percent, figured on constant fiscal year 1976 dollars.

A larger cut in the ceiling would violate commitments already made, including our historic interest in the security of the Middle East, and would ignore the continuing

realities of world politics and risk the confidence and security of those nations with whom the United States has vital and shared foreign policy and security interests. A smaller reduction would neglect our responsibility to set an example of restraint that others might follow.

I intend to make further reductions in the next fiscal year. The extent of next year's reduction will depend upon the world political situation and upon the degree of cooperation and understanding of other nations.

I want to emphasize that the restraint policy I announced on May 19, 1977, was not aimed exclusively at the volume of arms transfers. Equally important is restraint in the sophistication of arms being transferred and on the spreading capability to produce armaments. Therefore, in addition to the ceiling, I established five specific controls applicable to all transfers except those to our NATO allies, Japan, Australia, and New Zealand. These controls included: (1) a control on the first introduction of certain advanced systems into an area; (2) a prohibition on advanced systems for export only; (3) a prohibition on various types of coproduction arrangements; (4) tighter controls on retransfer; and (5) special controls on sales promotions.

These guidelines are at the heart of my decisions to approve or disapprove an arms transfer.

As I stated in my October 4 speech to the United Nations, genuine progress in this area will require multilateral efforts. But we are committed to taking the first steps alone to stop the spiral of increasing arms transfers. I call upon suppliers and recipients alike to join us in a determined effort to make the world a safer place in which to live.



## Chinese New Year, 1978

*Message of the President. February 1, 1978*

The Chinese New Year again joins Rosalynn and me in an expression of good wishes to our fellow citizens of Chinese ancestry.

It is a fine opportunity for all Americans to review with pride the accomplishments and vast cultural heritage of a very important segment of our population. Time-honored Chinese wisdom has given us inspiration, Chinese art has enriched our lives and individuals of Chinese origin have immeasurably contributed to the vitality and strength of our society.

For all these reasons this New Year observance makes it highly appropriate for us to salute all Chinese-Americans on whom so much of our national progress and development continues to depend.

JIMMY CARTER

## National Commission on Unemployment Compensation

*Appointment of Six Members.  
February 1, 1978*

The President today announced the appointment of six persons as members of the National Commission on Unemployment Compensation:

WILBUR J. COHEN, dean of the School of Education and professor of education, and professor of public welfare administration in the School of Social Work, at the University of Michigan;

BEATRICE COLEMAN, president, chairman of the board, and chief executive and operating officer of Maidenform, Inc.;

WILBUR DANIELS, executive vice president of the ILGWU;

J. ELDRED HILL, JR., executive director of UBA, Inc., a Washington research and consulting firm dealing with unemployment and workmen's compensation legislation;

KEN MORRIS, international executive board member and director of Region 1-B of the United Auto Workers;

JAMES R. O'BRIEN, assistant director of the AFL-CIO department of social security.

## Save Your Vision Week, 1978

*Proclamation 4549. February 1, 1978*

*By the President of the United States  
of America*

### A Proclamation

Good vision is too important to be left to chance. Most of what we learn and do depends upon how well we can see. As one of our most valuable possessions, sight deserves our care and protection.

By learning the early warning signs of eye disease, practicing eye safety, and having regular eye examinations, we can prevent some of the most common forms of visual impairment and blindness. Many eye disorders can be corrected or alleviated with prompt professional care. By wearing protective eyeglasses or safety goggles in potentially hazardous situations on the job or at home, we can prevent many eye injuries. Regular eye examinations may also detect early signs of other serious health problems, such as diabetes or high blood pressure, long before symptoms appear.

To increase awareness of the importance of good vision and of ways to protect it, the Congress, by joint resolution approved December 30, 1963 (77 Stat. 629, 36 U.S.C. 169a), has requested the President to proclaim the first week of March of each year as Save Your Vision Week.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate the week beginning

March 5, 1978, as Save Your Vision Week. I urge all Americans to observe this period by learning what they can do to take care of their eyes and by practicing a few simple precautions to protect their sight. I invite the vision care professionals, the communications media, educators, and all public and private organizations which support sight conservation to participate in activities which will inform all Americans about the importance of eye care and encourage them to take steps to protect their vision.

IN WITNESS WHEREOF, I have hereunto set my hand this first day of February, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 11:04 a.m., February 2, 1978]

## Panama Canal Treaties

*Address to the Nation. February 1, 1978*

*Good evening.*

Seventy-five years ago, our Nation signed a treaty which gave us rights to build a canal across Panama, to take the historic step of joining the Atlantic and Pacific Oceans. The results of the agreement have been of great benefit to ourselves and to other nations throughout the world who navigate the high seas.

The building of the canal was one of the greatest engineering feats of history. Although massive in concept and construction, it's relatively simple in design and has been reliable and efficient in operation. We Americans are justly and deeply proud of this great achievement.

The canal has also been a source of pride and benefit to the people of Pan-

ama—but a cause of some continuing discontent. Because we have controlled a 10-mile-wide strip of land across the heart of their country and because they considered the original terms of the agreement to be unfair, the people of Panama have been dissatisfied with the treaty. It was drafted here in our country and was not signed by any Panamanian. Our own Secretary of State who did sign the original treaty said it was "vastly advantageous to the United States and . . . not so advantageous to Panama."

In 1964, after consulting with former Presidents Truman and Eisenhower, President Johnson committed our Nation to work towards a new treaty with the Republic of Panama. And last summer, after 14 years of negotiation under two Democratic Presidents and two Republican Presidents, we reached an agreement that is fair and beneficial to both countries. The United States Senate will soon be debating whether these treaties should be ratified.

Throughout the negotiations, we were determined that our national security interests would be protected; that the canal would always be open and neutral and available to ships of all nations; that in time of need or emergency our warships would have the right to go to the head of the line for priority passage through the canal; and that our military forces would have the permanent right to defend the canal if it should ever be in danger. The new treaties meet all of these requirements.

Let me outline the terms of the agreement. There are two treaties—one covering the rest of this century, and the other guaranteeing the safety, openness, and neutrality of the canal after the year 1999, when Panama will be in charge of its operation.

For the rest of this century, we will operate the canal through a nine-person

board of directors. Five members will be from the United States and four will be from Panama. Within the area of the present Canal Zone, we have the right to select whatever lands and waters our military and civilian forces need to maintain, to operate, and to defend the canal.

About 75 percent of those who now maintain and operate the canal are Panamanians; over the next 22 years, as we manage the canal together, this percentage will increase. The Americans who work on the canal will continue to have their rights of employment, promotion, and retirement carefully protected.

We will share with Panama some of the fees paid by shippers who use the canal. As in the past, the canal should continue to be self-supporting.

This is not a partisan issue. The treaties are strongly backed by President Gerald Ford and by Former Secretaries of State Dean Rusk and Henry Kissinger. They are endorsed by our business and professional leaders, especially those who recognize the benefits of good will and trade with other nations in this hemisphere. And they were endorsed overwhelmingly by the Senate Foreign Relations Committee which, this week, moved closer to ratification by approving the treaties, although with some recommended changes which we do not feel are needed.

And the treaties are supported enthusiastically by every member of the Joint Chiefs of Staff—General George Brown, the Chairman, General Bernard Rogers, Chief of Staff of the Army, Admiral James Holloway, Chief of Naval Operations, General David Jones, Chief of Staff of the Air Force, and General Louis Wilson, Commandant of the Marine Corps—responsible men whose profession is the defense of this Nation and the preservation of our security.

The treaties also have been overwhelmingly supported throughout Latin Amer-

ica, but predictably, they are opposed abroad by some who are unfriendly to the United States and who would like to see disorder in Panama and a disruption of our political, economic, and military ties with our friends in Central and South America and in the Caribbean.

I know that the treaties also have been opposed by many Americans. Much of that opposition is based on misunderstanding and misinformation. I've found that when the full terms of the agreement are known, most people are convinced that the national interests of our country will be served best by ratifying the treaties.

Tonight, I want you to hear the facts. I want to answer the most serious questions and tell you why I feel the Panama Canal treaties should be approved.

The most important reason—the only reason—to ratify the treaties is that they are in the highest national interest of the United States and will strengthen our position in the world. Our security interests will be stronger. Our trade opportunities will be improved. We will demonstrate that as a large and powerful country, we are able to deal fairly and honorably with a proud but smaller sovereign nation. We will honor our commitment to those engaged in world commerce that the Panama Canal will be open and available for use by their ships—at a reasonable and competitive cost—both now and in the future.

Let me answer specifically the most common questions about the treaties.

Will our Nation have the right to protect and defend the canal against any armed attack or threat to the security of the canal or of ships going through it?

The answer is yes, and is contained in both treaties and also in the statement of understanding between the leaders of our two nations.

The first treaty says, and I quote: "The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each Party shall act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or [of] ships transiting it."

The neutrality treaty says, and I quote again: "The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral. . . ."

And to explain exactly what that means, the statement of understanding says, and I quote again: "Under (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently [shall] have the right to act against the Canal or against the peaceful transit of vessels through the Canal."

It is obvious that we can take whatever military action is necessary to make sure that the canal always remains open and safe.

Of course, this does not give the United States any right to intervene in the internal affairs of Panama, nor would our military action ever be directed against the territorial integrity or the political independence of Panama.

Military experts agree that even with the Panamanian Armed Forces joined with us as brothers against a common enemy, it would take a large number of

American troops to ward off a heavy attack. I, as President, would not hesitate to deploy whatever armed forces are necessary to defend the canal, and I have no doubt that even in a sustained combat, that we would be successful. But there is a much better way than sending our sons and grandsons to fight in the jungles of Panama.

We would serve our interests better by implementing the new treaties, an action that will help to avoid any attack on the Panama Canal.

What we want is the permanent right to use the canal—and we can defend this right through the treaties—through real cooperation with Panama. The citizens of Panama and their government have already shown their support of the new partnership, and a protocol to the neutrality treaty will be signed by many other nations, thereby showing their strong approval.

The new treaties will naturally change Panama from a passive and sometimes deeply resentful bystander into an active and interested partner, whose vital interests will be served by a well-operated canal. This agreement leads to cooperation and not confrontation between our country and Panama.

Another question is: Why should we give away the Panama Canal Zone? As many people say, "We bought it, we paid for it, it's ours."

I must repeat a very important point: We do not own the Panama Canal Zone. We have never had sovereignty over it. We have only had the right to use it.

The Canal Zone cannot be compared with United States territory. We bought Alaska from the Russians, and no one has ever doubted that we own it. We bought the Louisiana Purchases—Territories from France, and that's an integral part of the United States.

From the beginning, we have made an annual payment to Panama to use their land. You do not pay rent on your own land. The Panama Canal Zone has always been Panamanian territory. The U.S. Supreme Court and previous American Presidents have repeatedly acknowledged the sovereignty of Panama over the Canal Zone.

We've never needed to own the Panama Canal Zone, any more than we need to own a 10-mile-wide strip of land all the way through Canada from Alaska when we build an international gas pipeline.

The new treaties give us what we do need—not ownership of the canal, but the right to use it and to protect it. As the Chairman of the Joint Chiefs of Staff has said, "The strategic value of the canal lies in its use."

There's another question: Can our naval ships, our warships, in time of need or emergency, get through the canal immediately instead of waiting in line?

The treaties answer that clearly by guaranteeing that our ships will always have expeditious transit through the canal. To make sure that there could be no possible disagreement about what these words mean, the joint statement says that expeditious transit, and I quote, "is intended . . . to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly."

Will the treaties affect our standing in Latin America? Will they create a so-called power vacuum, which our enemies might move in to fill? They will do just the opposite. The treaties will increase our Nation's influence in this hemisphere, will help to reduce any mistrust and dis-

agreement, and they will remove a major source of anti-American feeling.

The new agreement has already provided vivid proof to the people of this hemisphere that a new era of friendship and cooperation is beginning and that what they regard as the last remnant of alleged American colonialism is being removed.

Last fall, I met individually with the leaders of 18 countries in this hemisphere. Between the United States and Latin America there is already a new sense of equality, a new sense of trust and mutual respect that exists because of the Panama Canal treaties. This opens up a fine opportunity for us in good will, trade, jobs, exports, and political cooperation.

If the treaties should be rejected, this would all be lost, and disappointment and despair among our good neighbors and traditional friends would be severe.

In the peaceful struggle against alien ideologies like communism, these treaties are a step in the right direction. Nothing could strengthen our competitors and adversaries in this hemisphere more than for us to reject this agreement.

What if a new sea-level canal should be needed in the future? This question has been studied over and over throughout this century, from before the time the canal was built up through the last few years. Every study has reached the same conclusion—that the best place to build a sea-level canal is in Panama.

The treaties say that if we want to build such a canal, we will build it in Panama, and if any canal is to be built in Panama, that we, the United States, will have the right to participate in the project.

This is a clear benefit to us, for it ensures that, say, 10 or 20 years from now, no unfriendly but wealthy power will be able to purchase the right to build a sea-level canal, to bypass the existing canal,

perhaps leaving that other nation in control of the only usable waterway across the isthmus.

Are we paying Panama to take the canal? We are not. Under the new treaty, any payments to Panama will come from tolls paid by ships which use the canal.

What about the present and the future stability and the capability of the Panamanian Government? Do the people of Panama themselves support the agreement?

Well, as you know, Panama and her people have been our historical allies and friends. The present leader of Panama has been in office for more than 9 years, and he heads a stable government which has encouraged the development of free enterprise in Panama. Democratic elections will be held this August to choose the members of the Panamanian Assembly, who will in turn elect a President and a Vice President by majority vote. In the past, regimes have changed in Panama, but for 75 years, no Panamanian government has ever wanted to close the canal.

Panama wants the canal open and neutral—perhaps even more than we do. The canal's continued operation is very important to us, but it is much more than that to Panama. To Panama, it's crucial. Much of her economy flows directly or indirectly from the canal. Panama would be no more likely to neglect or to close the canal than we would be to close the Interstate Highway System here in the United States.

In an open and free referendum last October, which was monitored very carefully by the United Nations, the people of Panama gave the new treaties their support.

The major threat to the canal comes not from any government of Panama, but from misguided persons who may try to fan the flames of dissatisfaction with the terms of the old treaty.

There's a final question—about the deeper meaning of the treaties themselves, to us and to Panama.

Recently, I discussed the treaties with David McCullough, author of "The Path Between the Seas," the great history of the Panama Canal. He believes that the canal is something that we built and have looked after these many years; it is "ours" in that sense, which is very different from just ownership.

So, when we talk of the canal, whether we are old, young, for or against the treaties, we are talking about very deep and elemental feelings about our own strength.

Still, we Americans want a more humane and stable world. We believe in good will and fairness, as well as strength. This agreement with Panama is something we want because we know it is right. This is not merely the surest way to protect and save the canal, it's a strong, positive act of a people who are still confident, still creative, still great.

This new partnership can become a source of national pride and self-respect in much the same way that building the canal was 75 years ago. It's the spirit in which we act that is so very important.

Theodore Roosevelt, who was President when America built the canal, saw history itself as a force, and the history of our own time and the changes it has brought would not be lost on him. He knew that change was inevitable and necessary. Change is growth. The true conservative, he once remarked, keeps his face to the future.

But if Theodore Roosevelt were to endorse the treaties, as I'm quite sure he would, it would be mainly because he could see the decision as one by which we are demonstrating the kind of great power we wish to be.

"We cannot avoid meeting great issues," Roosevelt said. "All that we can de-

termine for ourselves is whether we shall meet them well or ill.”

The Panama Canal is a vast, heroic expression of that age-old desire to bridge the divide and to bring people closer together. This is what the treaties are all about.

We can sense what Roosevelt called “the lift toward nobler things which marks a great and generous people.”

In this historic decision, he would join us in our pride for being a great and generous people, with the national strength and wisdom to do what is right for us and what is fair to others.

Thank you very much.

NOTE: The President spoke at 9 p.m. from the Library at the White House. His remarks were broadcast live on radio and television.

## National Prayer Breakfast

*Remarks at the 26th Annual Breakfast.  
February 2, 1978*

You may have noticed that the chairman of this breakfast and the master of ceremonies is Senator Jim Allen of Alabama. You may have noticed that our main speaker is Max Cleland from Georgia. You may have noticed that the President is Jimmy Carter from the same State. And there may be some concern among those among you about the secret to the South’s growing influence.

I might point out one coincidental piece of evidence in that the very fine Blackwood Quartet had six members in it. I think up North a quartet still has four members. *[Laughter]*

It’s been a wonderful program. And it’s almost anticlimactic for anyone to try to follow Max Cleland, who in his own life and in his own words gives us a testimony of what true faith can be and the closeness of God means to us.

To me, God is real. To me, the relationship with God is a very personal thing. God is ever-present in my life—sustains me when I am weak, gives me guidance when I turn to him, and provides for me as a Christian through the life of Christ, a perfect example to emulate in my experiences with other human beings.

My wife and I worship together every night, and often during the day I turn to God in a quiet and personal way.

A few months back, the words “born again” were vividly impressed on the consciousness of many Americans who were not familiar with their meaning. They’ve been used in many headlines and on the front covers of many magazines.

But for those of us who share the Christian faith, the words “born again” have a very simple meaning—that through a personal experience, we recommit our lives as humble children of God, which makes us in the realest possible sense brothers and sisters of one another. Families are bound by the closest possible ties.

I noticed in a small news item this morning that I was chosen “Lover of the Year.” *[Laughter]* It concerned me very much until I read on and found that it was because my wife and I have been in love for more than 31 years, and that the exemplification of a close family life is the best expression of love.

But for a Member of Congress, for a Governor, for an executive officer who cares for hundreds of thousands of veterans of war, for the Commanding General of the United States Marines, for foreign dignitaries, and for a President, the word “family” has a broader meaning—the family of all human beings and how we might alleviate world tensions and hatred and misunderstandings and death and suffering and loneliness and alienation through a common understanding and a common purpose and, sometimes, even a common belief.

A few weeks ago, I was in India. As part of my preparation for meeting with Indian leaders, I read the Bhagavad-Gita and later visited the site where Mahatma Gandhi's body was cremated and thought about his simple, deeply committed life, his knowledge of Christianity and Judaism, his worship of God, the simplicity and humility and sensitivity of his life. And I felt a kinship with him and a kinship of the Indian leaders who have not always been our friends in recent years. And as I talked to Prime Minister Desai, this was a common thread that ran through the conversations between us—how we shared something.

Last year, at a relatively small supper at the White House, Crown Prince Fahd from Saudi Arabia, when asked a question by a member of the group, a Member of Congress—how will Saudi Arabia with its tremendous growing wealth deal with the needs of its own people and hold together as a community?—gave one of the most eloquent impromptu speeches I have ever heard about how a common religious faith and their responsibility to hold together the interest in the holy places of Islam gave him confidence in the future and guidance on how his own life should be expended in the service of others.

I met with Prime Minister Begin twice during this past year and hope to see him again soon when he comes to our country. I like him, admire him, and respect him, because throughout his conversations with me in the quiet, lonely, private times together, and even when he talks with others in a larger group, there's a fervor of a deeply committed, religious man who again worships the same God I do and you do.

I felt an instant friendship with President Sadat. And in his messages to me and in my talks with him, he never fails to point out that the Egyptians and the Jews are sons of Abraham, worship the same

God, share a common heritage and a common faith, and that this is a transcendent thing, quite often forgotten, but still there; that it doesn't change.

And in our own search for peace and good will, in spite of setbacks and criticisms and sometimes the undertaking of tasks that are not easily performed, I have a sense of confidence that if we emphasize and reinforce those ties of mutual faith and our subservience and humility before God and an acquiescence in his deeply sought guidance, that we can prevail.

The leaders of our Nation look with a great deal of concern over the past experiences when kings and princesses had tied themselves to God, to the church, sometimes even in an exalted position relative to God, and had cloaked maladministration and injustice in the protection of the church. So, in our Constitution, we carefully prescribed that there should be no establishment of religion in this country.

So, we worship freely. But that does not mean that leaders of our Nation and the people of our Nation are not called upon to worship, because those who wrote the Declaration of Independence and the Bill of Rights and our Constitution did it under the aegis of, the guidance of, with a full belief in God.

In our rapidly changing world, we need to cling to things that don't change—to truth and justice, to fairness, to brotherhood, to love, and to faith. And through prayer, I believe that we can find those things. I don't think that's overly optimistic. And when Judge Sirica, one of the great men of all times in our country, referred to Solomon, I thought about the time described in the First Book of Kings, I believe, when God said to Solomon, "What do you want from me?" And Solomon said, "Give Thy servant an understanding mind to govern your people, that I might discern between good and evil." And God said, "That's such a fine prayer



that I will not only grant you wisdom, but I will grant you the other blessings of life as well."

Almost everyone in this room is a leader, trusted by others, looked up to by others, respected by others, influential among others. And I pray that that doesn't give us a sense of pride or exaltation or a sense of self-satisfaction, but that it gives us a sense of humility and that we turn to God through prayer, so that we might better serve those who have placed their faith in us as we place our faith in God.

NOTE: The President spoke at 9:23 a.m. in the International Ballroom at the Washington Hilton Hotel. The annual event is sponsored by the United States Senate and House prayer breakfast groups.

## White House Conference on Balanced National Growth and Economic Development

*Remarks at the Closing Session of the  
Conference. February 2, 1978*

The first thing I would like to do is to thank and to congratulate Chairman Jay Rockefeller and Juanita Kreps, Senator Jennings Randolph, representing the Congress, the leaders of the discussion groups, and all of the 500 participants who have earned unanimous congratulations and accolades from everyone who has expressed an opinion to me about this Conference.

It's an easy thing to have a conference concerning planning, growth, economic development, and have it be either so controversial that its purposes are lost, or so sterile that its function comes to no avail. You've avoided that.

I stand here as President of the greatest country on Earth, with a background in meetings of this kind. It's been an integral

part of my life, beginning at the local level of government, going up to the White House.

My first responsibility was to be the chairman and the organizer of an eight-county planning and development group in deep southwest Georgia, at that time the West Central Georgia Planning Commission. I dealt with those rural counties and with 30 small towns, the largest of which was about 12,000, the smallest of which was less than a hundred.

They were almost as diverse in nature and in need, in motivation or spirit, as the wide range represented here. And to give them a chance to communicate and to deal with common problems and to finally discern the mutuality of purpose was an inspiration to me.

We later organized the Georgian Planning Association. I was the first president of it, when I didn't hold public office, and I learned then throughout my own State how deeply committed people were to the need for dealing with change. Change has come to the South and the many parts of our Nation with a confrontation, reluctance, fear, but then an acknowledgement of the inevitability of it and a realization of the benefits to be derived from it.

I decided to run for Governor, and my first act was to organize what I called Goals for Georgia. We had meetings throughout the State, open meetings whereby citizens could come and register their complaints against the State government, their frustrations and their animosities, their disappointments and their hopes and dreams and suggestions, some of which were quite beneficial. And we put together in a clear and concise book what Georgia hoped to accomplish in the future—5, 10, 15, sometimes even 25 years. And almost every decision I made in my 4 years as Governor was predicated on and derived from those specific and

coordinated plans, without regimentation, but with a degree of consistency.

I was a chairman of the Coastal Plains Regional Commission, a Federal commission under the Commerce Department. I was chairman of the Appalachian Regional Commission. I was chairman of the Southern Regional Education Board, an organizer and the chairman of a long meeting during which we derived a report called "The Future of the South."

So, I've been involved in this kind of discussion from the grassroots up to the White House, and I've seen the potentialities of it, the benefits of it to me, and particularly the benefits of those who meet here as leaders in your own right.

I know the dangers of leadership. My wife went to a meeting the other day of a group responsible for the future of the District of Columbia, nongovernmental in nature. Brock Adams was the speaker, and he described the potential achievement of someone who dealt with things like metropolitan transit systems and housing programs. He said they're like the achievement was a one-car funeral. *[Laughter]*

Well, this can be the rewards of failure, but there is also a tremendous reward of searching for a better way of life.

This has been a conference brought together through a good process that began when Congress passed a law and has evolved over months and months of careful preparation, 150 meetings or so in all 50 States, where people brought their ideas to you and then eventually you brought them here to us. Local governments, State governments, the Federal Government—as President I represent all those constituencies. And I've had a chance to see the inevitable conflicts among them.

The thing that concerns me most is the isolation of governmental processes and

dealing with laws, the administration of them, from the human realities of failure. My wife, Rosalynn, my son Chip, and other members of my family will be dealing directly with the extragovernmental efforts to keep me constantly aware of human problems in the most personal sense.

This process here has been interesting, because I've noticed, as you've made your report, an attempt to define the relationship between the local and State and Federal governments. As you know, the original constitutional processes derived from the States themselves the power that the present Federal Government has, as changed by law and custom, as interpreted by the courts. But the fact is that the original founders of our Nation saw very clearly that the first evidence of problems derived from changing times would be discerned not here in Washington, but at the local and State levels of government. And that's the way it has been.

Environmental conflicts with economic growth were first evident in the local communities when citizens complained about filthy water and air not good to breathe and a fouled landscape. And local officials tried to deal with this in town halls and county courthouses, and eventually the pattern spread until it reached the State governments. And in a fumbling, sometimes mistaken way, but in a well-meaning way, environmental laws were fashioned State by State, and then it became obvious that when one State had strict environmental laws and an additional State had weak environmental laws, that industry began to go to the State with the weak laws. And problems there were exacerbated even further. And eventually the Federal Government had to provide some kind of uniformity and guideline so that on a nationwide basis, environmental

laws could be fair and fruitful and equitable.

This is a pattern that has always prevailed. It prevailed with civil rights. It prevailed with no-fault automobile insurance and many other things where the local people detect a problem, deal with it as best they can. And eventually, if the problem is so severe or so widespread, the Federal Government gets involved. And then the administration of the laws passed in Washington goes back down, quite often administered with insensitivity because there's not a close, working, constant relationship at the different levels of government and with our private citizens.

It's easy to cast blame. It's cowardly to cast blame. It's fruitless to cast blame from the private sector to government, or vice versa, from local to national government, or vice versa, because a conference like this demonstrates vividly that we share not only the problems but the responsibility for their resolution. And it's good to point out that it can be a part of our democratic process to work in harmony.

The facts are almost overwhelming in their complexity, and quite often facts dispute one another, and to discern the truth is not easy. And to correlate the close, sometimes microscopic, observation of a problem which is quite accurate in a person's life or a community's life with a need for fairness and uniformity on a nationwide or international basis is a difficult process indeed. And that's what you can offer to me here, because coming from all 50 States and the territories, commonwealths of our country, you can bring in your long, I'm sure tedious, but interesting and exciting discussions an awareness of the common ground on which we can resolve our problems.

My own background and education is in science, in engineering, where there's a

constant search for change, for improvement, for what is absolutely required to look years into the future to see the meaning of the discovery of atomic power, its use for destruction, its use for the benefit of human beings. These kinds of consequences of present action are not easy to predict, but it's important that we try. And the same thing happens in government.

Quite often government acts late, only as a response to crisis, only after human suffering has become widespread, when an early detection of a problem and a close working relationship might very well let government at all levels act to prevent crises. It is not nearly so dramatic, there are not nearly so many headlines, but the accomplishments therein are gratifying indeed.

I appreciated very much the reports that were made to me verbally and very briefly, and we will study throughout our own administration, and I'm sure the Congress will do the same, the detailed reports, the debates on both sides of issues, the conclusions that you've reached, the recommendations that you make. I want to be sure that this is a continuing process.

I listened very carefully to Dean Ylvisaker, who talked about local economics, local economy, interdependence, and the involvement of both business and the non-profit institutions. This is where I've seen a real need for my wife to serve—she's eager to do it—with constant access to me, without the constraints of government responsibilities, a real knowledge of this country, having lived in Hawaii, having lived in New York, Connecticut, Virginia, having lived in California and Georgia, and now here, having traveled in all the States. Our family has a personal knowledge of our country, and I want to tap that ability and make sure that I as President, and she as a member

of the family, exemplify how the private sector of our country, both profit and nonprofit, can be welded together with government.

Most of the initiative for solving a deteriorating neighborhood must come from the people who live there, or who are directly concerned about the quality of life there. The local government, the State government can move in to help with better police protection, garbage collection, water supplies, education. The Federal Government with its major programs, giving their authority as much as possible to local people, can provide the finances and the guidance that's needed. This is very important.

Miss Dixon pointed out the human aspect of inadequate planning and unbalanced economic growth and perhaps an insensitive government.

We had a major achievement last year with an increase of more than 4 million Americans who found jobs, a net increase over a million—the highest proportion of Americans employed in the history of our country. We've never seen that kind of improvement since the Second World War. But we still have 30, 35, 40 percent unemployment among our young black males.

And now, the need for us to focus attention on basic civil rights, basic human rights, in providing an escape from a wasted life should press very heavily on all of us. It's a devastating concept to me that a young person, 16, 17, 18 years old, could spend the first few years of an adult life excluded from a fruitful part in society, with a growing sense of personal failure and alienation, a deepening sense of frustration and anger. And the responsibility rests on people like us who have been blessed with social prominence, political, economic responsibilities, and of blessings of a highly materialistic life.

We've not yet been successful in correlating a highly expensive, sometimes very effective education training program with a need for the graduates to serve.

We've seen a shift from rural areas into urban areas, from urban areas into suburban areas; now a growing concern about the deteriorating central cities, a trend to move back toward the rural and Sunbelt areas. But in all that process, certain people in our society, partially of course because of deliberate or callous discrimination—constantly suffering.

Charlotte Williams discovered and discussed the very serious question of budgets, wherein priorities are set and goals are defined. I noticed that there was a great deal of applause when there was a mention of any of the reporters that we shift the financial burden to Washington and shift responsibility away from Washington. [*Laughter*] And I didn't hear any applause on the other side. But we're all in it together. You're part of the Federal Government, too.

But I know that the decisions made on the delineation of those responsibilities are made here in Washington. And I listened with great care to that recommendation.

Ed Bishop, whom I've known for a long time, talked about geography, of growth, the need for freedom, which is one of the most precious possessions of our society—the right of people themselves to make a decision where they want to live and the inevitability of trends that we don't discern and can't control, and the inadvisability of the Federal Government trying to discipline a society based on individual free choice.

Competition between States, competition between communities, competition within the business and professional community is not bad. It's part of a free enterprise system. It's part of a democracy.

But in that competition, again the human factor can never be forgotten.

Phyllis Lanphere, who did a good job, I thought, with her new southern accent—[laughter]—pointed out the need for us to understand future growth and economic development, because with the evolution of new technologies, a shift away from manufacturing toward an increased employment in providing human services, a change from one part of the country to another, in different forms and rates of growth, a comprehension of those future trends is very important to us all.

We live in a time of impending crisis, when almost unlimited national and natural resources are being observed and understood as limited. And how to accommodate that change is going to be a challenge to us all.

And finally, Chancellor Norton pointed out the need for streamlining government to make it more efficient, more effective, better organized, more easily understood regulations, uniformity of standards. This is a goal that we've espoused with great fervor in our administration. And I've had the chancellors of universities and the presidents in, and I've said, "You give me a list of all the reports and forms that have to be filled out for HEW and the ones you think can be made not at all, the monthly reports that might be made annually, the five-page reports that might be limited to five lines. Be specific about it, and we'll change it."

I told the same thing to the representatives of the American Chamber of Commerce, the National Association of Manufacturers, the National Association of Businessmen, the State School Superintendents, to be specific in their recommendation for specific improvements, and we'll do it.

We set a goal last year for cutting down paperwork. In HEW alone, not even

counting the other agencies of Government, they exceeded the goal by 50 percent. We've set new goals this year. So, we are trying.

The Congress has given me authority to reorganize the Federal Government, and we are trying. And we need your help, and we need your support. And I notice with care the word "decentralization." And I agree completely with that concept.

Let me say in closing that your work will not be in vain. There have been too many reports compiled by well-meaning and competent conferees and planners which have never been read nor used. We are determined that the work that you've done this week will bear rich fruits.

Juanita Kreps, all my Cabinet, the White House staff, I'm sure the Congress appreciates what you have done. And I believe that as a result of your work, we'll have an even greater nation, bound closer together, with a much more effective potential in life for the people about whom we all care so deeply—those that are not here this morning but whom we try with increasing dedication to represent well.

Thank you very much.

NOTE: The President spoke at 10:40 a.m. in the Sheraton Hall at the Sheraton-Park Hotel. In his opening remarks, he referred to Gov. John D. Rockefeller IV of West Virginia, Chairman of the Conference's Advisory Committee, Secretary of Commerce Juanita M. Kreps, and Senator Jennings Randolph of West Virginia.

Prior to the President's remarks, reports were presented on major theme areas considered by the Conference participants by workshop chairpersons Paul N. Ylvisaker, dean of graduate education of Harvard University, Ortense Dixon, vice president of Texas Southern University, Charlotte Williams, Genesee County (Mich.) Commissioner, Charles E. Bishop, president of the University of Arkansas, Phyllis Lanphere, member of the Seattle, Wash., city council, and James A. Norton, chancellor of higher education for the State of Ohio.

## New York City

*Statement Following a Meeting With Mayor Edward I. Koch. February 2, 1978*

I was pleased to meet with Mayor Koch today to discuss New York City's current fiscal condition and its recently developed budget and financing plans to cover the next 4 years.

Mayor Koch is an able and courageous man whose administration shows great promise in its early days. He has a series of difficult decisions to make. We both share a commitment, which I believe reflects the expectation of the Congress, that he will make those decisions in a way that will restore New York to a sound financial footing.

I assured him of my commitment to preserve New York City's solvency. This administration recognizes that New York is the nerve center of some of the most important activities in this country, and I reiterate that bankruptcy is not an acceptable solution to its problems.

I reminded Mayor Koch that my commitment to find a financial solution for the city has always presumed a maximum effort by all the local parties with an interest in the city's future—the State, the financial community, the city and State pension funds, the labor unions. I am certain that the Congress would not approve a Federal financing role, or other assistance, on any other basis.

For these reasons, I have asked Secretary Blumenthal to discuss with all of these parties what they can do. Once I am satisfied that they all will do their part, I will work hard to persuade the Congress to enact a bill that will end the financial uncertainty in New York.

## United States Ambassador to Greece

*Nomination of Robert J. McCloskey. February 3, 1978*

The President today announced that he will nominate Robert J. McCloskey of Chevy Chase, Md., to be Ambassador Extraordinary and Plenipotentiary of the United States to Greece. He would replace Jack B. Kubisch, resigned.

McCloskey was born November 25, 1922, in Philadelphia, Pa. He received a B.S. from Temple University in 1953. He served in the U.S. Marine Corps from 1942 to 1945.

McCloskey was a public information specialist at the State Department from 1958 to 1964, and director of the Office of News from 1964 to 1966. From 1966 to 1969, he was Deputy Assistant Secretary for the Bureau of Public Affairs.

From 1969 to 1973, McCloskey was Deputy Assistant Secretary of State for Press Relations and Special Assistant to the Secretary of State. He was Ambassador to Cyprus in 1973 and 1974. In 1975 and 1976, he was Ambassador at Large and Assistant Secretary of State for Congressional Relations. Since 1976 he has been Ambassador to the Netherlands.

## Department of Energy

*Executive Order 12038. February 3, 1978*

RELATING TO CERTAIN FUNCTIONS  
TRANSFERRED TO THE SECRETARY OF  
ENERGY BY THE DEPARTMENT OF EN-  
ERGY ORGANIZATION ACT

By virtue of the authority vested in me as President of the United States of America, in order to reflect the respon-

sibilities of the Secretary of Energy for the performance of certain functions previously vested in other officers of the United States by direction of the President and subsequently transferred to the Secretary of Energy pursuant to the Department of Energy Organization Act (91 Stat. 565; 42 U.S.C. 7101 *et seq.*), it is hereby ordered as follows:

SECTION 1. *Functions of the Federal Energy Administration.* In accordance with the transfer of all functions vested by law in the Federal Energy Administration, or the Administrator thereof, to the Secretary of Energy pursuant to Section 301(a) of the Department of Energy Organization Act, hereinafter referred to as the Act, the Executive Orders and Proclamations referred to in this Section, which conferred authority or responsibility upon the Administrator of the Federal Energy Administration, are amended as follows:

(a) Executive Order No. 11647, as amended, relating to Federal Regional Councils, is further amended by deleting "The Federal Energy Administration" in Section 1(a)(10) and substituting "The Department of Energy", and by deleting "The Deputy Administrator of the Federal Energy Administration" in Section 3(a)(10) and substituting "The Deputy Secretary of Energy".

(b) Executive Order No. 11790 of June 25, 1974, relating to the Federal Energy Administration Act of 1974, is amended by deleting "Administrator of the Federal Energy Administration" and "Administrator" wherever they appear in Sections 1 through 6 and substituting "Secretary of Energy" and "Secretary", respectively, and by deleting Sections 7 through 10.

(c) Executive Order No. 11912, as amended, relating to energy policy and conservation, and Proclamation No. 3279, as amended, relating to imports of pe-

troleum and petroleum products, are further amended by deleting "Administrator of the Federal Energy Administration", "Federal Energy Administration", and "Administrator" (when used in reference to the Federal Energy Administration) wherever those terms appear and by substituting "Secretary of Energy", "Department of Energy", and "Secretary", respectively, and by deleting "and the Administrator of Energy Research and Development" in Section 1(b) of Executive Order No. 11912, as amended.

SEC. 2. *Functions of the Federal Power Commission.* In accordance with the transfer of functions vested in the Federal Power Commission to the Secretary of Energy pursuant to Section 301(b) of the Act, the Executive Orders referred to in this Section, which conferred authority or responsibility upon the Federal Power Commission, or Chairman thereof, are amended or modified as follows:

(a) Executive Order No. 10485 of September 3, 1953, relating to certain facilities at the borders of the United States is amended by deleting Section 2 thereof, and by deleting "Federal Power Commission" and "Commission" wherever those terms appear in Sections 1, 3 and 4 of such Order and substituting for each "Secretary of Energy".

(b) Executive Order No. 11969 of February 2, 1977, relating to the administration of the Emergency Natural Gas Act of 1977, is hereby amended by deleting the second sentence in Section 1, by deleting "the Secretary of the Interior, the Administrator of the Federal Energy Administration, other members of the Federal Power Commission and" in Section 2, and by deleting "Chairman of the Federal Power Commission" and "Chairman" wherever those terms appear and substituting therefor "Secretary of Energy" and "Secretary", respectively.

(c) Paragraph (2) of Section 3 of Executive Order No. 11331, as amended, relating to the Pacific Northwest River Basins Commission, is hereby amended by deleting "from each of the following Federal departments and agencies" and substituting therefor "to be appointed by the head of each of the following Executive agencies", by deleting "Federal Power Commission" and substituting therefor "Department of Energy", and by deleting "such member to be appointed by the head of each department or independent agency he represents,".

SEC. 3. *Functions of the Secretary of the Interior.* In accordance with the transfer of certain functions vested in the Secretary of the Interior to the Secretary of Energy pursuant to Section 302 of the Act, the Executive Orders referred to in this Section, which conferred authority or responsibility on the Secretary of the Interior, are amended or modified as follows:

(a) Sections 1 and 4 of Executive Order No. 8526 of August 27, 1940, relating to functions of the Bonneville Power Administration, are hereby amended by substituting "Secretary of Energy" for "Secretary of the Interior", by adding "of the Interior" after "Secretary" in Sections 2 and 3, and by adding "and the Secretary of Energy," after "the Secretary of the Interior" wherever the latter term appears in Section 5.

(b) Executive Order No. 11177 of September 16, 1964, relating to the Columbia River Treaty, is amended by deleting "Secretary of the Interior" and "Department of the Interior" wherever those terms appear and substituting therefor "Secretary of Energy" and "Department of Energy", respectively.

SEC. 4. *Functions of the Atomic Energy Commission and the Energy Research and Development Administration.*

(a) In accordance with the transfer of all functions vested by law in the Administrator of Energy Research and Development to the Secretary of Energy pursuant to Section 301(a) of the Act, the Executive Orders referred to in this Section are amended or modified as follows:

(1) All current Executive Orders which refer to functions of the Atomic Energy Commission, including Executive Order No. 10127, as amended; Executive Order No. 10865, as amended; Executive Order No. 10899 of December 9, 1960; Executive Order No. 11057 of December 18, 1962; Executive Order No. 11477 of August 7, 1969; Executive Order No. 11752 of December 17, 1973; and Executive Order No. 11761 of January 17, 1974 are modified to provide that all such functions shall be exercised by (1) the Secretary of Energy to the extent consistent with the functions of the Atomic Energy Commission that were transferred to the Administrator of Energy Research and Development pursuant to the Energy Organization Act of 1974 (Public Law 93-438; 88 Stat. 1233), and (2) the Nuclear Regulatory Commission to the extent consistent with the functions of the Atomic Energy Commission that were transferred to the Commission by the Energy Reorganization Act of 1974.

(2) Executive Order No. 11652, as amended, relating to the classification of national security matters, is further amended by substituting "Department of Energy" for "Energy Research and Development Administration" in Sections 2(A), 7(A) and 8 and by deleting "Federal Power Commission" in Section 2(B) (3).

(3) Executive Order No. 11902 of February 2, 1976, relating to export licensing policy for nuclear materials and equipment, is amended by substituting "the Secretary of Energy" for "the Adminis-



trator of the United States Energy Research and Development Administration, hereinafter referred to as the Administrator" in Section 1(b) and for the "Administrator" in Sections 2 and 3.

(4) Executive Order No. 11905, as amended, relating to foreign intelligence activities, is further amended by deleting "Energy Research and Development Administration", "Administrator of the Energy Research and Development Administration", and "ERDA" wherever those terms appear and substituting "Department of Energy", "Secretary of Energy", and "DOE" respectively.

(5) Section 3(2) of each of the following Executive Orders is amended by substituting "Department of Energy" for "Energy Research and Development Administration":

(i) Executive Order No. 11345, as amended, establishing the Great Lakes River Basin Commission.

(ii) Executive Order No. 11371, as amended, establishing the New England River Basin Commission.

(iii) Executive Order No. 11578, as amended, establishing the Ohio River Basin Commission.

(iv) Executive Order No. 11658, as amended, establishing the Missouri River Basin Commission.

(v) Executive Order No. 11659, as amended, establishing the Mississippi River Basin Commission.

SEC. 5. *Special Provisions Relating to Emergency Preparedness and Mobilization Functions.*

(a) Executive Order No. 10480, as amended, is further amended by adding thereto the following new Sections:

"Sec. 609. Effective October 1, 1977, the Secretary of Energy shall exercise all authority and discharge all responsibility herein delegated to or conferred upon (a)

the Atomic Energy Commission, and (b) with respect to petroleum, gas, solid fuels and electric power, upon the Secretary of the Interior.

"Sec. 610. Whenever the Administrator of General Services believes that the functions of an Executive agency have been modified pursuant to law in such manner as to require the amendment of any Executive order which relates to the assignment of emergency preparedness functions or the administration of mobilization programs, he shall promptly submit any proposals for the amendment of such Executive orders to the Director of the Office of Management and Budget in accordance with the provisions of Executive Order No. 11030, as amended."

(b) Executive Order No. 11490, as amended, is further amended by adding thereto the following new section:

"Sec. 3016. Effective October 1, 1977, the Secretary of Energy shall exercise all authority and discharge all responsibility herein delegated to or conferred upon (a) the Federal Power Commission, (b) the Energy Research and Development Administration, and (c) with respect to electric power, petroleum, gas and solid fuels, upon the Department of the Interior."

SEC. 6. This Order shall be effective as of October 1, 1977, the effective date of the Department of Energy Organization Act pursuant to the provisions of Section 901 thereof and Executive Order No. 12009 of September 13, 1977, and all actions taken by the Secretary of Energy on or after October 1, 1977, which are consistent with the foregoing provisions are entitled to full force and effect.

JIMMY CARTER

The White House,  
February 3, 1978.

[Filed with the Office of the Federal Register,  
3:16 p.m., February 3, 1978]

## Visit of President Anwar al-Sadat of Egypt

*Remarks on the Arrival of the Egyptian President. February 3, 1978*

PRESIDENT CARTER. It's a great pleasure for me, on behalf of the American people, and also personally, to welcome to our country Mrs. Sadat, President Sadat, and his colleagues from Egypt.

Just a month ago I spent a brief time with President Sadat in Aswan in Egypt. And in the brief time we were together, we recommitted ourselves to a continuing personal friendship and also to a common commitment for a just and a lasting peace in the Middle East.

President Sadat has won the admiration of the entire world for his courageous and innovative and historic visit to Jerusalem in the cause of peace. That trip, perhaps more than any other single event that has happened in recent Middle East history, has helped to remove the distrust and lack of communication and the psychological barriers that have divided Israel from her Arab neighbors.

During their talks in Jerusalem, President Sadat and Prime Minister Begin made a historic pledge to one another: no more war. This promise reflected the deep hope and the heartfelt and frustrated dreams of the people of Egypt and the people of Israel and others in the Middle East for peace. This is a sentiment that's also shared by the American people. It's now up to all of us, President Sadat, Prime Minister Begin, other interested leaders, and also the people of the United States, to rededicate our efforts to these goals.

We, ourselves, will spare no effort in the search for peace. I think it's accurate to say that we have the confidence of the people of Egypt and Israel, Jordan, Syria, and others, and we will not betray that trust.

Obviously, the first responsibility is for direct negotiations between the leaders involved in the Middle East. But I've committed our own country to a continuing active role in support of those negotiations for an overall peace settlement, and I want to reconfirm and recommit our Nation today.

President Sadat and I, in just a few minutes, will leave for Camp David, and there we will have an opportunity, for the next couple of days, to discuss at length the best way to maintain and even to enhance the momentum that has already been established in the search for peace. He and I will also discuss other issues of mutual interest to the United States and to Egypt, such as the dangerous situation in the Horn of Africa.

President Sadat arrives in our country today as a friend, as a statesman whose courage and devotion to peace is deeply admired by the people of the United States, and as a leader with whom it is a privilege to work in a common dedication to end the long and tragic history of conflict that has existed in the Middle East.

President Sadat, you are welcome to our country.

PRESIDENT SADAT. Dear friend President Carter, Mrs. Carter, thank you for your warm reception and sincere words. It is always a pleasure to meet with you and to pursue our joint effort for peace. I am bringing to you and to every American heartfelt greetings from 40 million Egyptians and many other Arabs who join us in a solemn prayer for the success of our endeavor.

I came here in a continuation of my sacred mission for peace. I believe that we share a great responsibility to make life more meaningful and rewarding.

No other nation is more qualified to play this role as a contributor to world stability and prosperity. The values that

are deeply ingrained in the heart and conscience of the American people can be the arbiter between right and wrong and differentiate between the just and unjust.

Like you, my dear friend, we believe in human rights and respect for the dignity of man. Like you, my dear friend, we cherish our land and sacrifice our lives to defend it against any encroachment.

Like you, my dear friend, we believe in the inherent right of self-determination for all peoples in different parts of the globe. First and foremost, we share a firm commitment to the cause of peace.

Dear friend, I am certain that you agree with me that this is the time for a concerted effort for building a solid structure for peace. We are now at a historic and crucial crossroad.

Since I undertook my mission to Jerusalem, against all odds, events have proven that the great ideal of peace is unfortunately fragile and vulnerable. We have to remedy this situation. We must fortify the structure of peace and reinforce the faith of hundreds of millions in the validity of the notion that peace is not only necessary but also possible.

We should never allow ideological rigidity or fanaticism to endanger this march on the road to peace.

My dear friend, since you assumed office, you demonstrated your genuine commitment to the cause of peace. You have been truthful and forthcoming. Your approach, which emphasized morality and legitimacy, caught the imagination of millions in the Arab world. We sincerely hope that your efforts bear fruit for the sake of all the peoples in our area.

I look forward to the talks we will have in the coming few days. I am sure they will boost the momentum for peace and give a new impetus to our search for a comprehensive settlement of the Arab-Israeli dispute.

We want to put an end to wars and bloodshed. We want every people to be free and secure within its own land. We want to create a new Middle East, where nations, including the Palestinians, live together in harmony and fraternity. We want to purge all souls of prejudice and hatred. And, God willing, we shall overcome.

Thank you, Mr. President.

NOTE: The President spoke at 5 p.m. on the South Lawn of the White House. Following their remarks, President Carter and President Sadat and their wives departed for Camp David, Md.

## National Library of Medicine

### *Nomination of Seven Members of the Board of Regents. February 3, 1978*

The President today announced seven persons whom he will nominate to be members of the Board of Regents of the National Library of Medicine, Public Health Service. They are:

THOMAS C. CHALMERS, president and dean of Mount Sinai School of Medicine of the City University of New York, and president of the Mount Sinai Medical Center;

NICHOLAS E. DAVIES, an Atlanta physician practicing internal medicine and cardiology;

SAMUEL R. HILL, JR., vice president for health affairs of the University of Alabama School of Medicine in Birmingham;

DORIS H. MERRITT, dean of research and sponsored programs at Indiana University-Purdue University at Indianapolis, and professor of pediatrics at Indiana University School of Medicine;

CECIL G. SHEPS, professor of social medicine at the University of North Carolina;

KELLY M. WEST, professor of biostatistics and epidemiology and clinical professor of medicine at the University of Oklahoma;

JAMES F. WILLIAMS II, chief medical librarian at Wayne State University.

## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *January 28*

The President underwent his annual physical examination at Bethesda Naval Hospital. Dr. William M. Lukash, Physician to the President, later reported that the President's health is excellent.

The President visited the National Military Command Center at the Pentagon.

The President declared an emergency for the State of Michigan because of the impact of an abnormal accumulation of snow on vital transportation arteries within the State.

### *January 30*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- senior White House staff members;
- the Cabinet;
- Vice President Walter F. Mondale.

The President attended a White House reception for members of the International Ladies' Garment Workers Union.

The White House announced that the President has invited Prime Minister Anker Jørgensen of Denmark to pay an official visit to Washington on February 21–23. Denmark is currently President of the European Community, and Mr. Jørgensen will visit in his capacity as Prime Minister and in his Economic Community Presidency role.

### *January 31*

The President met at the White House with:

- Dr. Brzezinski;
- Senator Joseph R. Biden, Jr., of Delaware;
- Vice President Mondale, Adm. Stansfield Turner, Director of Central Intelligence, and Dr. Brzezinski;
- James T. McIntyre, Jr., Acting Director of the Office of Management and Budget;
- a group of Midwestern State Governors, to discuss agricultural matters.

The President attended a briefing on the Panama Canal treaties, given for leaders of religious organizations.

### *February 1*

The President met at the White House with:

- Dr. Brzezinski;
- Ernest Morial, mayor of New Orleans, La.;
- Mrs. Carter, for lunch;
- Mrs. Carter and Joan Mondale, wife of the Vice President.

The White House announced that a review has recently been completed of private airplane flights taken by the President and Mrs. Carter during the Presidential campaign. The review, which was announced on August 31, 1977, was conducted in order to ensure that reimbursement had been made for all such flights. It was conducted by outside counsel, with the full cooperation of campaign officials. The results of the review are included in a report filed with the Federal Election Commission on January 31, 1978. The press release also contains a detailed breakdown of the expenditures.

### *February 2*

The President met at the White House with:

- Dr. Brzezinski;
- Tom Hayden of California;

## *Administration of Jimmy Carter, 1978*

- a group of administration officials to discuss reorganization of the civil service system.

*February 3*

The President met at the White House with:

- Vice President Mondale, Secretary of State Cyrus R. Vance, Hamilton Jordan, Assistant to the President; and Dr. Brzezinski;
- Dr. Brzezinski;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- Mr. Moore, Richard M. Harden, Special Assistant to the President for Budget and Organization, Dr. Peter G. Bourne, Special Assistant to the President for Health Issues, a group of Congressmen and Senators, and entertainer Harry Chapin, to discuss the Presidential Commission on World Hunger;
- Vice President Mondale and Charles Schultze, Chairman of the Council of Economic Advisers;
- Representative Thomas S. Foley of Washington;
- Robert Charles Smith, national commander of the American Legion;
- Senator Birch Bayh of Indiana.

The White House announced that the President has designated G. Joseph Minetti as Vice Chairman of the Civil Aeronautics Board.

The President announced that he will nominate James B. King to be Chairman of the National Transportation Safety Board.

The President announced that he will nominate United States Information Agency Director John E. Reinhardt and Deputy Director Charles W. Bray III to be Director and Deputy Director, respectively, of the International Communication Agency. Under Reorganization Plan

No. 2, USIA is terminated and the International Communication Agency is created.

The White House announced that the President has designated Arthur F. Burns as Acting Chairman of the Board of Governors of the Federal Reserve System until his successor is officially designated as Chairman, or until his resignation becomes effective, whichever comes first.

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### **NOMINATIONS SUBMITTED TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

#### **Submitted January 31, 1978**

The following-named persons to be members of the National Council on the Arts for the terms indicated:

*For the remainder of the term expiring September 3, 1982*

THEODORE BIKEL, of Connecticut, vice Hal C. Davis, deceased.

*For a term of 6 years expiring January 26, 1984*

MAUREEN DEES, of Alabama, vice Mrs. David K. Wilson, term expired.

JACOB LAWRENCE, of Washington, vice Richard F. Brown, term expired.

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### **CHECKLIST OF WHITE HOUSE PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

#### **Released January 31, 1978**

Fact sheets: telecommunications minority assistance program (2 releases)

#### **Released February 1, 1978**

Advance text: address to the Nation on the Panama Canal treaties

#### **Released February 3, 1978**

Fact sheets: Camp David, Md. (2 releases)

*Administration of Jimmy Carter, 1978*

**ACTS APPROVED BY  
THE PRESIDENT**

**Approved February 3, 1978**

H.R. 3215----- Private Law 95-28  
An act for the relief of Mrs. Olive M. V. T.  
Davies and her children, Samira D. K.  
Davies, Ola-Tomi K. Davies, Ola-Yinka K.  
Davies, Ilesha E. K. Davies, and Baba-  
Tunji K. Davies.  
H.R. 7691----- Public Law 95-224  
Federal Grant and Cooperative Agreement  
Act of 1977.

# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, February 10, 1978

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## Visit of President Anwar al-Sadat of Egypt

*Remarks on Returning to the White House From Camp David, Maryland.  
February 5, 1978*

President Sadat and his wife, Jihan, I and my wife, Rosalynn, and our family, have had a very enjoyable 2 days at Camp David. During this time, President Sadat and I have had a chance to spend hours together discussing the relationships between our two countries and our renewed commitment to achieve a peaceful settlement of the differences that exist in the Middle East.

Yesterday afternoon, the Vice President, Secretary of State, and the distinguished leaders who accompanied President Sadat here from Egypt met with us for a more thorough discussion of all the issues that I've described so briefly.

During the rest of this week, President Sadat will be meeting with congressional leaders. He'll be making a speech tomorrow to the National Press Club and will be meeting with me again. And on Wednesday, when he departs, I will have a much more definitive statement to make about the results of our meeting.

We have thoroughly enjoyed being together. There is complete agreement between him and me about our determi-

nation to work, without ceasing, to bring peace to the Middle East. And we had a thorough discussion of other bilateral relationships concerning us in the Horn of Africa and other places around the world.

It's been a very enjoyable experience, President Sadat. And I look forward to seeing you again on Wednesday, after you've had this chance to meet with our officials and our Congress.

Thank you very much.

NOTE: The President spoke at 4:45 p.m. on the South Lawn of the White House.

## Visit of President Sadat of Egypt

*White House Statement Issued Following Meetings. February 5, 1978*

President Sadat and President Carter have completed 2 days of extensive talks at Camp David in which they considered carefully the further steps necessary to achieve a comprehensive peace settlement in the Middle East. They were joined for part of their talks on Saturday on the Egyptian side by His Excellency Sayed Marei, Speaker, People's Assembly; His Excellency Hassan Ahmed Kamel, Director, Office of the President; His Excellency Mohamed Ibrahim Kamel, Minister of Foreign Affairs; His Excellency Ashraf

Ghorbal, Ambassador of the Arab Republic of Egypt; and Mr. Ahmed Maheral-Sayed, Director of the Foreign Minister's Cabinet; and on the American side by Vice President Mondale; Secretary of State Cyrus Vance; Dr. Zbigniew Brzezinski, National Security Adviser to the President; Ambassador Hermann Eilts, U.S. Ambassador to Egypt; Assistant Secretary Alfred L. Atherton; and William Quandt, member of the National Security Council staff.

President Carter reaffirmed his conviction that the events set in train by President Sadat's initiative in going to Jerusalem have, after decades of conflict, opened the prospect of real peace in the Middle East. The two Presidents are agreed that no obstacles must be allowed to prevent the achievement of a just and lasting settlement. They believe that an important beginning has been made in breaking through the psychological barriers to peace between Arabs and Israelis and that unremitting efforts must continue to overcome the remaining legacy of mistrust resulting from 30 years of conflict. Recognizing the overriding importance of peace to the future of the Middle East and its peoples, they stressed the importance of maintaining the negotiating momentum generated over the past few months. Both Presidents recognized that their efforts in the cause of peace will be of fundamental importance not only for the immediate future but for generations to come. Their overriding conviction is that a peaceful solution must be found to spare the people of the Middle East the agony of another war.

As a result of their extensive talks, President Carter feels that he has a better understanding of President Sadat's concerns about the need for the peace process to move forward without delay. He also took the occasion of these talks to explain

in detail to President Sadat how the United States envisages its role and responsibilities in the peace process as a friend of both sides with a strong interest in peace and stability in the region. President Carter reaffirmed the commitment of the United States to play an active role in the search for peace and to redouble its efforts to ensure that progress is made in the weeks ahead.

In the course of their long discussions, President Sadat and President Carter reviewed the reasons for the slow pace of progress and the factors which have hampered the achievement of substantive agreement. They found themselves in accord that efforts should remain focused on creating conditions which are conducive to the achievement of tangible results and the broadening of negotiations, looking toward the realization of a comprehensive settlement. To this end, the two Presidents examined ways in which these objectives can be accomplished. They will further refine their views in the exchanges between their representatives over the next few days, as well as in their final meeting on Wednesday.

As part of their effort to continue the peace process, the two Presidents agreed that Assistant Secretary Atherton should return to the area in the near future to continue the work that has been under way, looking toward completion of a declaration of principles. They view such a declaration as an important step in establishing the framework for comprehensive peace in the area.

The two Presidents also discussed other issues of mutual concern to Egypt and the United States, such as the dangerous situation in the Horn of Africa.

Both President Sadat and President Carter expressed their satisfaction that the Camp David meetings had provided the opportunity for such thorough and fruit-



ful examination of all aspects of the Middle East problem and had created a basis of mutual understanding and agreement for the continuing cooperation of their two governments in the search for peace.

## National Poison Prevention Week, 1978

**Proclamation 4550. February 6, 1978**

*By the President of the United States of America*

### A Proclamation

When stored safely and used properly, products such as medicines, polishes, solvents and pesticides can make our lives easier.

But many of these products contain toxic ingredients which, when used or stored carelessly, can find their way into the hands of our children. Although special packaging has reduced dramatically the number of incidents each year, household substances still poison many children. Therefore, the theme of this year's National Poison Prevention Week is: "Children Act Fast—So Do Poisons."

To remind all Americans of the dangers of poisonings and to encourage all of us to eliminate this problem, the Congress, by joint resolution of September 26, 1961 (75 Stat. 681, 36 U.S.C. 165) has requested the President to issue annually a proclamation designating the third week in March as National Poison Prevention Week.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate the week beginning March 19, 1978, as National Poison Prevention Week. I call upon the people of the United States and all agencies and

organizations concerned with the prevention of poisoning and the welfare of our Nation's youngsters to join in promoting increased awareness of, and better protection against, the dangers of poisoning.

IN WITNESS WHEREOF, I have hereunto set my hand this sixth day of February, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 10:43 a.m., February 6, 1978]

## Reception Honoring Polish Americans

***Remarks at the White House Reception. February 6, 1978***

First of all, let me say that Rosalynn and I are very delighted to have all of you come. In our desire to make you feel at home and arrange some Warsaw weather, I'm afraid we cut the size of the crowd down too much—[laughter]—but it is beautiful outside, and it's just as pleasant and pure and friendly as it was when we left the wonderful country of Poland.

As you noticed from the photographs outside, we had a delightful and, I think, a very fruitful visit. Rosalynn and Dr. Brzezinski had a long meeting with Cardinal Wyszynski. It was a very inspiring report that I got back from my wife. I don't think any First Family members had had a chance to meet with him from the Western nations. And it was very important to us as Christians to recognize the overwhelming influence of the Christian Church in Poland.

Later, when I talked to First Secretary Gierek, I told him that I congratulated

him on going to visit Cardinal Wyszynski just recently. I told him to visit him often and we had not given up yet on converting him to Christianity. I told him it was never too late for him to have the same faith as we. [*Laughter*]

He and I got along well. And I thought that the Polish Government, who could have done otherwise, made it easy for us to reach literally millions of people in Poland through the fully broadcast news conference, which was unprecedented, and almost all of the news reporters were permitted to come. I commented publicly on the ones that weren't permitted to come, and I answered their written questions later for them.

It was truly an inspiring thing for me. And with a few variations in the interpretation that went out to the Polish people—[*laughter*—the written transcript of the interview, which was a freewheeling, open press conference, went verbatim in the major Polish news media throughout the land. So, I thought it was an excellent opportunity for us to communicate freely with them.

I was overwhelmed with the response of the Polish people when we discussed the historic ties that have long bound our countries together. As a southerner from Georgia, my own earliest studies of both Georgia and United States history have included in a major way the reports of the great heroism and dedication of Kosciuszko and Pulaski. My own son Chip's wife is from Pulaski County in Georgia, named in honor of the Polish patriot who helped us win our independence. And we discussed quite freely, both with people whom we met on the streets and those who were servants in the beautiful mansion we stayed and those in the government, the common effort that we had made in the world wars, when Poland was so nearly destroyed.

I have heard from a child about the devastation of the War Between the States that afflicted my own grandparents and some of yours. But I have never seen a nation which had been so terribly damaged by war as Poland.

We learned about the history of Warsaw and the heroism of the people there and the courage in rebuilding that beautiful city. And we saw the small portion of the visual treasures of ancient Poland that had been preserved, and we were thankful to have a chance to see that beautiful display of Polish art.

We had also an opportunity to learn at first hand about the relative freedom that the Polish people have to worship, and I commented on it publicly because I think it's a precious thing. We have many very fine Polish Americans in our Nation who have occupied positions of great importance. And you have honored us by coming here this evening.

I have decided to ask Danny Rostenkowski and Senator Muskie and Senator Robert Byrd, all of whom have contacted me about it, to introduce a special bill to authorize Mrs. Eddie Slovik to receive her insurance payments from the last war.

I had a letter earlier from the Polish American Society asking me to do this. And I have inquired with the Attorney General and with the Secretary of Defense—it's not legal for me to authorize these payments. So, there will be a special bill introduced in Congress which I will support. And Senator Byrd, the majority leader in the Senate, Congressman Rostenkowski, Congressman Rangel have already expressed their eagerness to see this introduced in the House, and I hope it will pass without delay.

I would like to say in closing that this is an opportunity for us to reassert the appreciation in our country for those historic ties between Poland and our Nation. We

are tied together militarily through a long series of wars which we hope will never come again. We are tied together politically in generations past, and we still have strong friendships of trade and hope for the future in Poland now. And we are tied together culturally, and I think perhaps most importantly of all, we are tied together through blood kinship.

There are millions of Polish Americans here. I have gotten varying reports on how many millions. *[Laughter]* I was cautioned before I went there to be conservative in my estimates so that I wouldn't claim too much. When I was with First Secretary Gierek, the first thing I said was there are 8 million Americans of Polish descent. He said, "No, that's not right. There are at least 12 or 14 million." So I didn't argue with him. *[Laughter]*

But I think you know that this is a very important thing to cherish. And during the campaign, I was permitted to visit many communities in our Nation which have a heavy concentration of Americans of Polish descent. Dr. Brzezinski, who was in the receiving line, is very close to me, and the man who's had the most effect on my life, other than my own father, Admiral Hyman Rickover, as you know, is also from Poland.

I would like to make one other comment, just as a matter of interest.

We are all impressed by the beautiful musical heritage of Poland. And many of our great performers who have moved here are from Poland, the great composers. As we sat in the ballroom the evening of the state banquet, we listened with great care to the quality of the American National Anthem that was being played by the orchestra there. And we were in many other countries, but by far, the outstanding performance, the most perfect rendition of the Star-Spangled Banner, we heard in Poland. And it was

with a sense of great appreciation that I told First Secretary Gierek about the high quality of this performance, and Dr. Brzezinski did not argue with me when I pointed out that this was the best performance. *[Laughter]*

We have a performance scheduled for you in a few minutes. The pianist, whom my wife will introduce later and whom I won't, is 80 years old. He has been at the Washington train station. It took the White House car an hour to get there. He's on the way here. So, if you don't mind until he gets here, Rosalynn and I would like to come out and just be with you for a few minutes to let you know that we cherish your presence here in our home, which is also your home.

Thank you very much.

*[At this point, the reception guests sang a traditional Polish song of greeting. The President then resumed speaking.]*

When Rosalynn and I laid a wreath at the Nike Monument and we walked back to the streets, the Polish Government had not publicized our presence there, to hold down the crowd. But there was a great crowd. And when we walked back, they sang that to me.

So, I just waded into the crowd and shook hands—*[laughter]*—because it made me feel at home. And once we did stop at a corner at Dr. Brzezinski's suggestion, just unannounced. And I got out of the car, and I was just absolutely swept up by heartfelt embraces and handshakes, and the Secret Service, who were trying to protect me, and the Polish police were not able to hold the crowd back. So, finally I got back in the car, opened the top, and I stood on top of the car and shook hands with them. *[Laughter]*

But it was a great reception. And I think the friendship that exists in Poland for our country is absolutely unshakable

and permanent, and we have the same feeling toward Poland.

Thank you.

NOTE: The President spoke at 5:32 p.m. at the reception held for Polish American leaders of business, labor, educational, civic, and religious organizations in the East Room at the White House. Following his remarks, concert pianist Mieczyslaw Horszowski performed at the reception.

## Legislation for the Relief of Antoinette Slovik

*Announcement of the President's Support  
for the Legislation. February 6, 1978*

President Carter today informed leaders of several Polish American groups that he supports legislation pending in Congress to provide relief to Mrs. Antoinette Slovik, the widow of Private Eddie Slovik. Private Slovik was the only member of the Armed Forces executed for desertion during World War II.

The President's decision in no way condones the act of desertion. Rather it is a response to the unique nature of the situation and to Mrs. Slovik's personal plight. This case differs from all others, including those in which servicemen died by causes other than execution while in desertion status. The President does not believe that special legislation would be appropriate in such other cases.

The President reached his decision following a personal appeal from Senate Majority Leader Robert Byrd and after the Justice Department advised that the President has no independent authority to assist Mrs. Slovik. The White House requested Justice's views following last year's determination by the Department of the Army that Private Slovik's punishment had been lawfully imposed.

Congressman Rangel has introduced in the House the legislation which the President supports. The bill would grant Mrs. Slovik an amount equal to the proceeds of her husband's National Service Life Insurance Policy, plus interest—a total of \$70,000. Present law prohibits the granting of such benefits to the survivors of servicemen who die following desertion or who are lawfully executed. The bill has not yet been introduced in the Senate.

## Red Cross Month, 1978

*Proclamation 4551. February 7, 1978*

*By the President of the United States  
of America*

### A Proclamation

The American Red Cross is serving the needs of the American people now, as it has served them for nearly a century. Although its programs and services have grown in scope as well as in size over the years, the relief of human suffering remains its fundamental purpose. Throughout its proud history, its spirit of volunteerism has been the source of its strength.

It is the Red Cross volunteer—our neighbor—who helps ease the suffering of disaster victims; who teaches us first aid, water safety, and proper care of the ill and injured; who instills in our young people those qualities of leadership that will mean so much to this Nation in later years; who donates the blood that gives renewed life to the sick; and who comes to the assistance of the men and women of our armed forces, and to veterans and their families.

March has traditionally been observed as Red Cross Month. It is a time for concerned people to address their thoughts

to those qualities of compassion, understanding and selflessness which identify the Red Cross spirit of volunteerism.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America and Honorary Chairman of the American National Red Cross, do hereby designate March 1978, as Red Cross Month. I urge all Americans to give generous support to the work of their local Red Cross chapter.

IN WITNESS WHEREOF, I have hereunto set my hand this seventh day of February, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 2:45 p.m., February 7, 1978]

## Red Cross Month, 1978

*Memorandum From the President.  
February 7, 1978*

*Memorandum for the Heads of Executive Departments and Agencies*

I have again proclaimed March as Red Cross Month to remind all Americans of the myriad services the American Red Cross provides each day in communities across the nation.

During the past year, as disaster after disaster disrupted lives and brought destruction to widespread areas of the nation, Red Cross volunteers helped ease the suffering of their neighbors. The Red Cross Blood Program expanded last year to play an even more important role in our daily lives by providing life-saving and life-sustaining blood and blood products to more and more ill and injured Americans. Through Red Cross nursing, first aid, water and boating safety instruction,

we have the opportunity to train ourselves to care for the infirm.

Finally, our men and women in the Armed Forces, veterans and their families look to the Red Cross for help in coping with their emergency problems.

The Red Cross is a vital part of America. I urge all civilian employees of the Federal Government and members of the Armed Forces to support this essential effort through voluntary services, donation of blood and financial support in their home communities.

JIMMY CARTER

## National Oceanic and Atmospheric Administration

*Nomination of James P. Walsh To Be Deputy Administrator. February 7, 1978*

The President today announced that he will nominate James P. Walsh, of Washington, D.C., to be Deputy Administrator of the National Oceanic and Atmospheric Administration. He would replace Howard W. Pollock, resigned.

Walsh was born December 28, 1944, in North Bend, Oreg. He received an A.B. from Stanford University in 1967, and a J.D. (1970) and LL.M. (1971) from the University of Washington.

In 1971 and 1972, Walsh was assistant attorney general of the State of Washington, where his duties included serving as counsel to the Oceanographic Commission of Washington. From 1972 to 1977, he was staff counsel to the U.S. Senate Commerce Committee and counsel to the Senate Ocean Policy Study.

Since 1977 Walsh has been general counsel of the Senate Committee on Commerce, Science, and Transportation and director of the National Ocean Policy Study.

Walsh is a member of the Law of the Sea Advisory Committee at the State Department. He has attended several international conferences on the law of the sea.

## United States Ambassador to Fiji

*Nomination of John P. Condon.  
February 7, 1978*

The President today announced that he will nominate John P. Condon, of Tulsa, Okla., to be Ambassador Extraordinary and Plenipotentiary of the United States to the Dominion of Fiji. He would replace Armistead I. Selden, Jr., who has resigned.

Condon was born August 6, 1920, in Tulsa. He received an M.A. from Columbia University in 1950 and an LL.D. from the University of Athens in 1942.

Condon was officer in charge of labor relations for the U.S. Army Corps of Engineers in Casablanca from 1951 to 1954 and international labor officer for the Air Force in Germany from 1954 to 1960. In 1961 and 1962, he was labor attaché in Tunis.

From 1962 to 1964, Condon was regional labor attaché for North Africa, and from 1964 to 1966, he was labor attaché in Saigon. He took Arabic language training in 1966-67 and was Middle East labor attaché from 1967 to 1970.

From 1970 to 1977, Condon was counselor for labor affairs in Paris. Since 1977 he has been on detail as a faculty adviser at the Industrial College of the Armed Forces at Fort McNair.

## Democratic Study Group

*Remarks at a Dinner Honoring Speaker of the House of Representatives Thomas P. O'Neill, Jr. February 7, 1978*

Thank you, everybody. Fortunately for me, I couldn't hear the introduction. [Laughter]

When I was invited to come tonight to be with the Democratic Study Group, I was told it was a roast for Tip O'Neill. I never knew what a roast was until I came to Washington—[laughter]—and began to read about myself every day in the newspapers. [Laughter] I had something of a preview from Mo Udall in the Michigan primary—[laughter]—and I should have known what to expect.

I really tried to think of some criticism or some funny things to say about Tip O'Neill. But his being the Speaker and such a close friend of mine, and our having such an intimate political relationship and my revering him so much, it was impossible for me to think about anything except—[laughter]—serious matters.

When I first was elected and was preparing for the transition phase between November and January, I set up what we called the Talent Inventory Program, the TIP program. And in January, when I was packing to come to Washington, I discovered that the Speaker's name was Tip O'Neill. [Laughter]

I found also that we had a lot in common. We both have an Irish background. His family was in the potato business in Ireland, and my folks came about 50 years before him as a result of the great peanut famine. [Laughter]

But in honor of Tip, we decided to let our Talent Inventory Program pick out the first two people from Massachusetts. One was Evan Dobelle, who became the protocol officer; the other one was Elliot

Richardson. [Laughter] Tip called up to discuss this matter with me and—[laughter]—he really gave me the highest compliment I've ever had. He said I had done more for the Republicans in Massachusetts than anybody since Richard Nixon. [Laughter] And he said that because I was new in Washington, that he wanted to reward me for honoring his State as I had already done—[laughter]—by making my first two appointments Republicans from Massachusetts.

You probably wouldn't know it by the way we've performed, but there were some of us that didn't know much about Washington when we got here. [Laughter] A few of us didn't even know where Pennsylvania Street was. [Laughter]

So, Tip got a Harvard professor to help some of our staff. He gave Hamilton Jordan some advice on diplomatic manners and how to dress. [Laughter] And Tip wanted to give me some personal advice, because I had had trouble, as you know, in some of the States during the general election. He wanted to teach me how to win political favor in the West. And we decided between us that the water projects was the best thing to undertake. [Laughter] We really have worked on this all year. And we've benefited greatly from Tip's friendship and help. [Laughter]

When I was at my lowest point this past summer during the Bert Lance hearings, Tip revived all our spirits by giving us some good information on air travel by Senator Charles Percy. [Laughter] And it really put us back on top of the thing there for a few days. Bert Lance was off the front page for a while; Jody Powell got on the front page. [Laughter] Tip, I want to thank you for that help.

We also have been very eager to have a good legislative achievement last year. And when the adjournment time came the first week in October, Tip wanted to

make sure that I understood how to deal with the Congress effectively as we approached the conferences on energy. He said one of the main things I ought to do is to return Congressmen's telephone calls in a hurry. And the first one I got was from Philadelphia. [Laughter]

I hate to be overly modest, but most of my successes this past year, as you can see, I can attribute to my friendship with—[laughter]—the Speaker.

It hasn't been just political help. It hasn't been just advice and counsel on personal habits for my staff or inside information on the ways of Washington. Tip and I and our families have also formed a very close personal relation.

Tip and Millie came to the White House to eat supper with us on a couple of occasions, and we have some very cherished pictures of Tip holding my grandson in his lap. Later I was introduced to Millie's brother-in-law, who happened to be an unemployed Polish interpreter. [Laughter]

I've become deeply indebted to Tip O'Neill. [Laughter] My hope is that in the months ahead, Tip, I can repay you for all the kindnesses that you have shown us. [Laughter]

I would like to say in closing that in one's lifetime it's a very rare occasion when you have a chance to meet someone who is a delightful companion; someone who knows the political history of our Nation and who has the deepest and most sincere reverence for our Constitution and for the Capitol and for the White House and those who have served in it; someone who exemplifies in an enjoyable and effective way the finest elements of democratic politics; someone about whom in a period of years even in the quietness of private conversations you would never hear a word of criticism; someone who has a sense of humor and

an appreciation for human beings; someone who is sensitive about others; someone who epitomizes the essence of what we all believe the Democratic Party is; and someone who can make the masculine reference to love be sincerely meaningful; and someone who in such a short time can become one's closest friend—and that's the way I feel about Tip O'Neill.

Thank you very much.

NOTE: The President spoke at 9:10 p.m. in the Sheraton Hall at the Sheraton-Park Hotel.

The transcript of the remarks was released on February 8.

## Financial Assistance for Higher Education

*Remarks Announcing the Administration Proposal. February 8, 1978*

This morning I and the Secretary of HEW, Joe Califano, and several of the key leaders of Congress have a very important announcement to make.

Today the cost of sending a son or daughter to college is an increasingly serious burden on America's low- and middle-income families. From 1967 to 1976, in just a 10-year period, the cost of college education increased 77 percent. This year the average bill for tuition, room, and board in a private college is more than \$4,800, and at a typical public university a student would have to pay \$2,500 per year for education-related costs.

Increasingly, middle-income families, not just the lower income families, are being stretched to their financial limits by these new and growing costs of a university or college education. No one should be denied the opportunity for a college education for financial reasons alone. And our Nation has long recognized our obligation to help lower income families in this educational area.

Now we must increasingly take steps to help middle-income families as well. This is why I am proposing and announcing today a \$1.46 billion increase in the assistance that the Federal Government provides to help with these growing costs, bringing our total student assistance budget to \$5.2 billion for fiscal year 1979. We are proposing additional scholarship grants, more part-time jobs for students, and more loans, primarily focused on students from moderate- and middle-income families.

About \$900 million will provide tuition grants to students from families with incomes up to \$25,000; \$70 million will provide expanded eligibility for guaranteed loans for families in the \$16,000 to \$45,000 income range; and \$150 million to provide part-time jobs to college students.

We estimate that more than 5 million college students nationwide will receive financial assistance from the Federal Government in fiscal year 1979, an increase of at least 2 million students over the current year.

The coordinated program that I am proposing, using grants, work study, and loans, will provide more real help than any tax credit and is a far more equitable and efficient way to help middle-income families with tuition and other college costs.

Tuition tax credits would provide benefits to those who do not need them and almost certainly would cost more than the carefully targeted measures that we are proposing today.

Congress must choose between tuition tax credits and the far more beneficial increases in Federal student assistance programs that I am requesting. This Nation cannot afford—and I will not accept—both.

Secretary Califano and I have worked very closely with congressional leaders in developing this program. Senators Wil-



liams, Pell, and Representatives Perkins, Biaggi, Ford, Brademas, and Thompson have cooperated fully with us, along with many others. They support this program and will help to move it rapidly through the Congress.

Now, Secretary Califano and the Members of Congress will explain in more detail this program and would be glad to answer your questions.

NOTE: The President spoke at 10:05 a.m. to reporters assembled in the Briefing Room at the White House. Following his remarks, Secretary Califano and the Congressmen held a news conference on the proposed legislation.

## American Heart Month, 1978

*Remarks on Presenting the Proclamation to Representatives of the American Heart Association. February 8, 1978*

THE PRESIDENT. This is, I think, one of the most important things that the American people have to address, and I would personally like to congratulate the American Heart Association and also the Heart, Lung and Blood Institute for the tremendous work you've done.

I think it's your 30th anniversary. And I notice that, in looking at the statistics before you came in, that since 1973, we've had a substantially, I think, well-established decrease in deaths resulting from heart disease and stroke, which is primarily because of the good work you're doing in educating people on what we need to do in simple things: regular medical check-ups, good diet—watch the salt intake—and get exercise. I'm very proud of that.

We've initiated, when I was Governor of Georgia, what we called the Cripplers and Killers Analysis. And we tried to do simple things like just getting people to have the blood pressure checked and detect potential stroke victims. And as a

part of that work, we've seen the death rate and the stroke rate in Georgia go down substantially, too.

I want to keep the trend going down and I'm eager to help you. But I'm very proud of what work you have done and are doing and am proud as President to associate myself with the efforts that you've undertaken and are doing so well. And I will pledge my support in every possible way.

And now I'll give you a copy of the American Heart Month proclamation and hope that all American people will join in with you to protect themselves. I understand that heart diseases are now still our most severe cause of death. In fact, about half the people die because of heart afflictions of some sort. It's very important work, and the progress has been, I think, profound.

DR. WILLIAM AUSTEN [president, American Heart Association]. Speaking for the scientific community, we not only want to thank you but we're very grateful for your help in this cause. And we are, I think, very pleased that you spent a little time with us and say these things. We look forward to working on these things in the years ahead.

THE PRESIDENT. Well, Dr. Press reminds me frequently about my need to improve the commitment to basic research and also to promote programs like yours that have proven themselves to be effective. You've got a substantial recommendation of the Congress for increases in basic research funds which have been kind of dormant for too long.

I have a slight scientific background, not very much, but I feel like I'm part of the community.

DR. AUSTEN. Well, we're very pleased about that, too, because we saw your strong statement about an increase in terms of basic research and your wish to

have that happen, which we agree with very much.

THE PRESIDENT. Good luck to you.

DR. AUSTEN. Thank you.

THE PRESIDENT. Thank you very much.

NOTE: The President spoke at 12:15 p.m. in the Oval Office at the White House. In his remarks, he referred to Frank Press, Director of the Office of Science and Technology Policy.

For the text of Proclamation 4546, designating February as American Heart Month, see page 89 of this volume.

## Visit of President Sadat of Egypt

*Remarks on the Departure of the Egyptian President. February 8, 1978*

PRESIDENT CARTER. It has been a great personal pleasure for me and Rosalynn to have President Sadat and his beautiful wife, Jihan, and all their fine family with us in our country for the last few days.

My talks with President Sadat for many hours has given me a clear concept of his own concerns at this important moment in the peace process. We both share a determination to reach peace in the Middle East. And we've agreed to work closely and personally together to realize this goal.

I explained to President Sadat and he well understands the deep commitment of the United States to the security of Israel. And he shares this commitment that Israel will be secure. We also discussed at length the need to continue the negotiating process, even with temporary disappointments and delays, to achieve a just and a lasting and a comprehensive peace in the Middle East.

In helping the parties to find solutions to the problems that separate them, the United States will be guided by the need to base a settlement on the full implemen-

tation of the principles of United Nations Resolution 242 on all the fronts. We also believe that a just solution to the Palestinian question is essential.

President Sadat and I have agreed to stay in close contact with one another in the weeks ahead, as we continue the search for a peaceful settlement in the Middle East. As we continue down that path, we recognize that the way is difficult. But we take inspiration from a vision of what can be, of the goal that we both seek, and we understand clearly the importance of the stakes that we see involved in this search for peace.

If we can succeed in this endeavor, there will be a peace for an area that has long known only war or the threat of war; prosperity for a people whose wealth has been too long allocated to weapons; water and fertilizer and hard, productive labor in lands and fields that have been made barren by war or the threat of war, by man and by nature; a new life for children whose future can be dominated by hope and life, rather than by conflict and fear of death.

This is a vision that we share. There is no nobler calling on this Earth than the seeking for peace. For it is that reason which caused the Bible to say that peacemakers shall be called the sons of God.

I'm honored to be with the world's foremost peacemaker, President Sadat, and to share with him a partnership in this worthy endeavor.

President Sadat, Jihan, and your family, you have been welcomed here by me and all the people of our country. We admire you deeply, and we know that with your help and with your persistent cooperation, you, we, the Israelis, and others in the Middle East can find what we all search for so deeply, and that is permanent peace in that troubled part of the world.

PRESIDENT SADAT. My dear friend, President Carter, Mrs. Carter, we have spent really a very charming weekend together in Camp David—President Carter, Rosalynn, me, and Jihan. And to be frank, I must tell you this: I was elated when I received the invitation from President Carter to visit with him here in such a precise moment like we were in. And I came disheartened, discouraged.

We had long talks in Camp David, and then after that, we have completed it in Washington, here in the house with Secretary Vance. And I must tell you this before I leave: I shall return today back to my country with much more perseverance for reaching peace through the efforts that we have started together, the United States and Egypt since November '73, and which by God's will, we shall attain all our targets in the establishment of peace, permanent peace in the area.

We have agreed together, President Carter and me, to keep in close contact like we have been before; and let me tell you this again: I must express my deep gratitude to President Carter, Rosalynn, and to all the American people for the very warm welcome and hospitality and generosity that was accorded to us.

And I promise you, the American people whom I was always and shall be proud of the sentiments that they have shown towards me, let me say this to them, I shall never fail you. Like I told my friend, President Carter, I shall never fail you.

May God protect you. May God protect my dear friend, President Carter, Rosalynn, and his family.

Thank you very much.

NOTE: The President spoke at 3:22 p.m. on the South Lawn of the White House.

## Visit of President Sadat of Egypt

*White House Statement on the Final Meeting.  
February 8, 1978*

President Carter and President Sadat had a final meeting this afternoon.

President Carter and President Sadat continued their talks today in the same spirit of friendship and openness which characterized their stay together at Camp David over the weekend. The hours they have spent together, both alone and with their advisers, have provided the essential opportunity both sought for a relaxed and thorough review of the Middle East situation. They have concluded that the mutual trust and understanding between them, which were reinforced by these meetings, will be extremely useful in helping to maintain momentum toward their common goal of peace in the Middle East.

During the course of their meetings over the past 5 days, President Carter reaffirmed to President Sadat the broad principles which underlie United States participation in the search for that peace:

—The United States will remain faithful to its historic commitments to the security of Israel and to the right of every state in the area to live in peace within secure and recognized boundaries.

—Helping the parties achieve a negotiated comprehensive settlement of the Middle East conflict remains of highest importance in American policy, and President Carter will spare no effort in seeking ways to move the peace process forward.

—A peace settlement must go beyond the mere termination of belligerency. It must provide for the establishment of normal peaceful relations between Israel and its neighbors.

—The peace settlement should be comprehensive and should be embodied in

peace treaties between Israel and each of its neighbors.

—The settlement must be based on all the principles of Security Council Resolution 242, including withdrawal of Israeli armed forces from territories occupied in 1967 and the right of every state in the area to live in peace within secure and recognized boundaries. Resolution 242 is applicable to all fronts of the conflict.

—There can be no just and lasting peace without resolution of the Palestinian problem.

The President reaffirmed what he said at his meeting with President Sadat in Aswan January 4: There must be a resolution of the Palestinian problem in all its aspects; it must recognize the legitimate rights of the Palestinian people and enable the Palestinians to participate in the determination of their own future.

President Carter also reaffirmed the longstanding United States view that Israeli settlements in occupied territory are contrary to international law and an obstacle to peace, and that further settlement activity would be inconsistent with the effort to reach a peace settlement.

President Sadat affirmed that the door remains open to negotiations and that Egypt will continue to do its part to assure continuity in this negotiating process in an atmosphere conducive to tangible progress.

The two Presidents also spent some time reviewing the current situation in the Horn of Africa and agreed that continuing conflict and instability there are of concern to them both. President Carter and President Sadat have agreed to consult with other countries on this matter.

Finally, the two Presidents committed themselves to remain in close personal touch through direct correspondence and

diplomatic channels. In this way they are determined to ensure continuing, full understanding between them both in the peace process and in bilateral relations between Egypt and the United States.

## Commissioner of Patents and Trademarks

*Nomination of Donald W. Banner.  
February 8, 1978*

The President today announced that he will nominate Donald W. Banner, of Aurora, Ill., to be Commissioner of Patents and Trademarks. He would replace C. Marshall Dann, resigned.

Banner was born February 23, 1924, in Chicago. He received a B.S. from Purdue University in 1948, a J.D. from the University of Detroit in 1952, and a Master of Patent Laws degree from John Marshall Law School in 1958.

Banner has been with Borg-Warner Corp. since 1953 and has been general patent counsel there since 1964. He is responsible for all matters relating to patents, trademarks, copyrights, and licensing and technology exchange agreements.

Banner is president-elect of the American Patent Law Association and vice president of the International Patent and Trademark Association.

## Grain Set-Aside and Reserve Programs

*Announcement of Approval of the Agricultural Programs. February 8, 1978*

The President today made final a 10-percent feed grain set-aside program for

1978 and increased the storage payment for the farmer-owner grain reserve program. He urged farmers to make maximum use of those two farm programs.

Approval of both program actions was recommended to the President by Agriculture Secretary Bob Bergland.

"Farmers have the tools at hand to raise grain prices," the President said. "By participating in the set-aside programs, they help cut the oversupplies that are currently holding down prices. By putting their grain in the reserve program, they will remove excess supplies from the market until farm prices rise. I urge farmers to take full advantage of these opportunities to improve prices."

The President said that storage payments for grains held in the farmer-owned reserve program would be increased from 20 cents to 25 cents per bushel per year for the major grains. Farmers now storing grain in the reserve will be offered new contracts to reflect the 25-cent rate.

"We hope that this higher storage payment will encourage greater use of the farmer-controlled reserve program," the President said. "Our goal is to have 30 to 35 million tons of food and feed grain in reserve prior to the beginning of the 1978 crop year.

"If our farmers use this program, it will have a positive impact on prices, which are now too low, and will, at the same time, assure foreign buyers that we will be a reliable supplier of grain."

The President also said that Secretary Bergland has under consideration other actions that could be taken to improve farm prices and income.

Signup for the 1978 set-aside programs will begin March 1 and will be conducted through May 1 in the Department of Agriculture's Agricultural Stabilization and

Conservation Service (ASCS) county offices.

## International Atomic Energy Agency

*Message to the Senate Transmitting an Agreement on Nuclear Safeguards.  
February 9, 1978*

*To the Senate of the United States:*

I submit herewith, for Senate advice and consent to ratification, the Agreement between the United States of America and the International Atomic Energy Agency ("Agency") for the Application of Safeguards in the United States of America, with attached Protocol, approved by the Board of Governors of the Agency on September 17, 1976. This Agreement provides for application of Agency safeguards to nuclear facilities in the United States, other than those having direct national security significance. The Agreement will enter into force when the United States notifies the Agency that its constitutional and statutory requirements for entry into force have been met.

The United States, as a nuclear weapons state party to the Treaty on the Non-Proliferation of Nuclear Weapons ("NPT"), is not obligated to accept Agency safeguards on its peaceful nuclear activities. On December 2, 1967, President Johnson offered to place United States nuclear facilities, except those with direct national security significance, under Agency safeguards in an effort to demonstrate that the application of those safeguards would not work to any nation's commercial disadvantage. Specifically, President Johnson stated:

“... I want to make it clear to the world that we in the United States are not asking any country to accept safeguards that we are unwilling to accept ourselves.

So I am, today, announcing that when such safeguards are applied under the treaty, the United States will permit the International Atomic Energy Agency to apply its safeguards to all nuclear activities in the United States—excluding only those with direct national security significance.

Under this offer the Agency will be able to inspect a broad range of U.S. nuclear activities, both governmental and private, including the fuel in nuclear power reactors owned by utilities for generating electricity, and the fabrication, and chemical reprocessing of such fuel . . .”

Over the next ten years, both Presidents Nixon and Ford reaffirmed that offer.

I also transmit, for the information of the Senate, the report of the Department of State concerning the Agreement.

Universal participation in the NPT is a central goal of our non-proliferation policy. The entry into force of this Agreement would encourage that participation, and would fulfill our long-standing commitment to accept safeguards. I urge the Senate to act favorably on this Agreement at an early date and give its advice and consent to ratification.

JIMMY CARTER

The White House,  
February 9, 1978.

## International Atomic Energy Agency

*Announcement of Transmittal to the Senate of a Nuclear Safeguards Agreement.  
February 9, 1978*

President Carter today fulfilled a 10-year United States pledge for nuclear safeguards by submitting to the Senate for ratification a treaty with the International Atomic Energy Agency (IAEA). The treaty would make all U.S. nuclear facilities, except those with direct national security significance, eligible for the application of safeguards by this international agency.

Under the Nuclear Non-Proliferation Treaty (NPT), the 99 nonnuclear weapon member states are required to accept IAEA safeguards on all of their peaceful nuclear facilities. While the NPT does not impose this duty on nuclear weapon states, the United States voluntary offer to enter into such a safeguards agreement has been extremely important in inducing other nations to adhere to the treaty. United States willingness to accept the same safeguards as the NPT requires for nonnuclear weapon states is tangible evidence of our belief that the NPT does not discriminate against nonnuclear weapon states. It also demonstrates the U.S. conviction that the application of international safeguards neither hampers the development of nuclear power nor puts the safeguarded party at a commercial disadvantage.

This offer by the United States to bring its nuclear facilities not having direct national security significance under international safeguards was first made on December 2, 1967, by President Lyndon

Johnson. It has been endorsed by all succeeding administrations.

Upon entry into force, this treaty will be an additional signal to the world, including both nuclear supplier and recipient nations, of our continuing support for the universal application of IAEA safeguards, and our desire that all nations adhere to the Nuclear Non-Proliferation Treaty.

The safeguards call for inventory and design information to be submitted to the IAEA. The Agency's fundamental safeguards measure is the accounting of nuclear materials. The U.S. will submit to the Agency accounting reports on nuclear materials subject to safeguards.

chief of the political section in Lima, and in 1960 and 1961, he was financial officer in Havana. From 1961 to 1964, he was officer in charge of Mexican affairs.

In 1964 and 1965, Sayre was a senior staff member on the National Security Council. From 1965 to 1967, he was Deputy Assistant Secretary in the Bureau of Inter-American Affairs. In 1967 and 1968, he was acting Assistant Secretary of State for Inter-American Affairs.

In 1968 and 1969, Sayre was Ambassador to Uruguay, and from 1969 to 1974, he was Ambassador to Panama. In 1974 and 1975, he was a Foreign Service inspector, and since 1975 he has been Inspector General of the Foreign Service.

## United States Ambassador to Brazil

*Nomination of Robert M. Sayre.  
February 9, 1978*

The President today announced that he will nominate Robert M. Sayre, of Falls Church, Va., to be Ambassador Extraordinary and Plenipotentiary of the United States to Brazil. He would replace John H. Crimmins, resigned.

Sayre was born August 18, 1924, in Hillsboro, Oreg. He received a B.A. from Willamette University in 1949, an M.A. from Stanford University in 1960, and a J.D. from the George Washington University in 1956. He served in the U.S. Army from 1942 to 1946.

Sayre began his Government career in 1949 in the State Department's intern program, then served as an international economist. From 1957 to 1960, he was

## United States Ambassador to Cyprus

*Nomination of Galen L. Stone.  
February 9, 1978*

The President today announced that he will nominate Galen L. Stone, of Washington, D.C., to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Cyprus. He would replace William R. Crawford, Jr., resigned.

Stone was born July 4, 1921, in Brookline, Mass. He received a B.S. from Harvard University in 1946. He served in the U.S. Army from 1942 to 1946.

Stone joined the Foreign Service in 1947 and served as an economic officer and political officer in various posts. In 1962 and 1963, he was Deputy Director of the Office of West European Affairs, and from 1963 to 1965, he was detailed

to the Imperial Defence College in London. From 1965 to 1968, he was counselor of political-economic affairs in New Delhi.

In 1968 and 1969, Stone was chief of the political section in Saigon. He was deputy chief of mission in New Delhi from 1969 to 1973 and in Paris from 1973 to 1976. Since 1976 he has been Deputy Representative of the United States to the International Atomic Energy Agency.

## United Nations Children's Fund

*Appointment of James P. Grant as U.S. Representative on the Executive Board.  
February 9, 1978*

The President today announced the appointment of James P. Grant, of Washington, D.C., as U.S. Representative on the Executive Board of the United Nations Children's Fund. He replaces Michael N. Scelsi, resigned.

Grant is president and chief executive officer of the Overseas Development Council in Washington.

He was born May 12, 1922, in Peking, China. He received an A.B. from the University of California at Berkeley in 1943 and an LL.B. from Harvard Law School in 1951. He served in the U.S. Army from 1943 to 1945.

Grant practiced law from 1951 to 1954. He was regional legal counsel for the Mutual Security Agency in New Delhi from 1954 to 1956, and director of the U.S. Mission of the International Cooperation Administration in Ceylon from 1956 to 1958. From 1958 to 1962, he was Deputy Director for Program Planning of the International Cooperation Administration.

From 1962 to 1964, Grant was Deputy Assistant Secretary of State for Near East-

ern and South Asian affairs. From 1964 to 1967, he was Director of the U.S. Mission of AID in Turkey, and from 1967 to 1969, he was Assistant Administrator of AID. Since 1969 he has been president of the Overseas Development Council.

## National Education Association

*Remarks at a White House Reception for the Association's Board of Directors.  
February 10, 1978*

Well, I feel like I'm among friends.

It's a great honor for me and for my family to have you here in the White House. It's a place where you belong, and it belongs to you. Every one of the Presidents since George Washington have lived here. And the problems and opportunities faced by us have been exactly the ones that were faced on a much more personal and daily basis by the teachers of our Nation for the last 200 years.

There's an inherent partnership between those who serve in government at all levels and those who teach our students, both young and old.

I'm very delighted that the NEA chose to take an active role in politics—[laughter]—at that very propitious time. I felt at that moment that Fritz Mondale and I had formed an alliance or a friendship and a sense of mutual trust that would stand us in good stead as we deal with national problems. And I hope that as we progress through our own administration, that that realization might grow in your mind if you have friends here in the White House as well.

We do have a good program going. Our emphasis this year will be on basic educational quality, and we're trying in a special way to make opportunities available for high school graduates to go on to college.



I've just increased the proposed allocation of funds for education, which brings the increase in 1 year above 15 percent to about 20 percent. We want this trend to continue.

My own background, as many of you know, before I got involved in elective politics, was in the administration of the public school system. I've been dedicated to it.

We started our married life and had our second son born in Hawaii. So I wear the beautiful flowers with pride. And we've always had our sons and our daughter in the public schools.

When I first found that I would be moving to Washington, Rosalynn and I had some very sincere and quiet talks between us about Amy's own education. We had heard bad reports about the public school system in the District of Columbia. But I felt rather than move away from the schools, that we ought to get ourselves more deeply involved in the public school system, thinking at that time that there might be some sacrifice on the part of Amy to demonstrate the First Family's interest and commitment to the public school system.

That has not been the case. It has not been a sacrifice. I think Amy has benefited greatly from what she has derived in the public school system in the District. And I hope that our own involvement in it now and in the future will help to strengthen the interest of parents in the public school system throughout the country.

We have learned a lot in this first year. We had never lived nor served in Washington. I had never been part of the Federal Government at all, except as a naval officer. And I think the progress has already been very good. And I hope that you, in the experience of the 1976 election campaign and also in your experiences in politics at the State level, will not nar-

rowly restrict your interests just to matters that relate to schoolteachers or school programs or even students, because the thrust of our Nation, what it stands for, what it is, what it can be, is your responsibility, not only as a private citizen but also, I think, as one who helps to mold opinion.

You're respected not only as individual teachers and administrators but also because you have a position of leadership among your own peer group. And I hope that you'll be vigorous and forceful when you take on a project in helping to shape our country for the better. I trust your judgment. I've learned since I've been in Washington that sometimes the interest groups can be very selfish. But my own experience with you is that your motives are basically the same as mine. And that's a compliment, I think, to me when I say it, not a compliment to you.

We have a group of good Members of Congress. I think their commitment to education is superb. I've gotten to know those leaders very well in recent months.

I hope that you would help me, for instance, with the Panama Canal treaties. This is a matter where the Nation's public posture is at stake. It's a pure example of a bipartisan approach to a difficult political issue but a crucial issue involving statesmanship.

And many of the Members of the Senate tell me privately that they know that it's a right and a proper and decent thing to do, but they are fearful about the political consequences at home. And I think if they knew with a personal letter from you or even an organizational expression that you would give them your support and appreciation, it would help me in that crucial issue.

There are many others where the interest of our own country might very well be at stake that I hope that you will help me.

I would like to say in closing that I believe that we need and I believe that we will get a separate department of education. This is a matter that I considered very carefully before I promised your officers before the election that I would do.

Since I've been in the White House, I've had the need for this separate department impressed even more vividly on my mind. When I was Governor for 4 years, I would guess at least 20 or 25 percent of my time was spent in dealing with issues directly related to public education at the elementary, secondary, preschool, or the college level. This is a subject that rarely arises at a Cabinet meeting of your Government in Washington.

The only time it does arise is when there's a legal question involving civil rights or the allocation of funds. And I would say that the Attorney General really has more of a problem to bring to the Cabinet meeting than does the Secretary of HEW. Joe Califano is a superb man. He's dedicated to a finer education in our country. But the point is that as long as the educational function is buried within a large department with welfare and health, I don't think that education will ever get the visibility that it deserves.

And so, my own experience, where maybe 2 or 3 percent of my time as President, even among domestic issues, is devoted to education, compared to 10 times that much as Governor, shows me that it doesn't have the visibility and the importance that it warrants in our democratic and free society.

I could talk to you a lot about our national image around the world and the need to emphasize basic human rights. But I won't emphasize those points specifically. I would like to say that I recognize in you a kind of cutting edge for social change that sometimes is quite onerous for you.

When politicians like myself have been fearful to address difficult changes in our attitudes and social structures, our educators have had to bear the brunt of criticism and have had to take courageous action.

I've seen it at first hand. And the results of your courage and your dedication and sometimes your sacrifice have been a profound benefit to our country.

I have a great admiration for you all and a great appreciation for what you have meant for our country and a great awareness and confidence in what you will mean to our country even more in the future. It's an honor to have you here.

NOTE: The President spoke at 2:40 p.m. in the State Dining Room at the White House.

## Federal Insurance Administrator

*Nomination of Gloria Cusumano Jimenez.  
February 10, 1978*

The President today announced that he will nominate Gloria Cusumano Jimenez, of Durham, N.C., to be Federal Insurance Administrator.

Jimenez was born July 1, 1932, in New York City. She received an LL.B. from Brooklyn Law School in 1954.

From 1955 to 1966, she practiced law in New York, and in 1965 and 1966, she also served as district aide to Congressman Richard Ottinger.

From 1968 to 1970, Jimenez was director of housing and urban programs for the North Carolina Department of Local Affairs. From 1971 to 1974, she was a housing consultant and assistant director of the Low Income Housing Development Corporation in Durham. Since 1975 she has been deputy commissioner and general counsel of the North Carolina Department of Insurance.

## Federal Maritime Commission

***Nomination of Leslie L. Kanuk To Be a Commissioner. February 10, 1978***

The President today announced that he will nominate Leslie L. Kanuk, of Englewood Cliffs, N.J., to be a Federal Maritime Commissioner. She would replace Clarence Morse, whose term has expired.

Kanuk was born August 9, 1929, in New York City. She received a B.B.A. from the City College of New York in 1950, an M.B.A. from Baruch College in 1964, and a Ph. D. from the City University of New York in 1973.

Since 1967 Kanuk has been deputy chairman and professor in the Department of Marketing at Baruch College of the City University of New York. She has served on the maritime transportation research board of the National Academy of Sciences since 1975, and has served as a consultant to the U.S. Maritime Administration. She is the author of numerous articles on maritime transportation.

## American Bolt, Nut, and Large Screw Industry

***Memorandum From the President. February 10, 1978***

*Memorandum for the Special Representative for Trade Negotiations*

***Subject:*** Determination Under Section 202(a) of the Trade Act; Bolts, Nuts and Large Screws of Iron or Steel

Pursuant to section 202(b)(1) of the Trade Act of 1974 (P.L. 93-618, 88 Stat. 1978), I have determined the action I will take with respect to the report of the United States International Trade Commission (USITC), transmitted to me on December 12, 1977, concerning the re-

sults of its investigation of a petition for import relief filed by the United States Fastener Manufacturing Group, the United Steel Workers of America, and the International Association of Machinists and Aerospace Workers on behalf of the domestic industry producing iron or steel lag screws or bolts, bolts (except mine-roof bolts) and bolts and their nuts imported in the same shipment, nuts, and screws having shanks or threads over 0.24 inch in diameter, provided for in items 646.49, 646.54, 646.56, and 646.63 of the Tariff Schedules of the United States.

After considering all relevant aspects of the case, including those set forth in section 202(c) of the Trade Act of 1974, I have determined that provision of import relief is not in the national economic interest for the following reasons:

1. The USITC reported that domestic producers' shipments and exports had increased in 1976 and the first half of 1977. It also indicated that domestic producers' rates of return on sales were above the corresponding ratios for producers of all fabricated metal products and for all manufacturing corporations. Furthermore, domestic producers or their wholly owned subsidiaries imported or purchased 20-25 percent of total 1976 shipments of imported fasteners in the United States. The domestic industry, particularly firms specializing in the production of automotive fasteners, has and should continue to benefit from increased U.S. consumption of fasteners.

2. Provision of import relief would have significantly increased costs of fasteners for U.S. manufacturers who use fasteners to produce cars, machinery, equipment, and construction items. The inflationary impact of providing relief could cause unemployment in other U.S. industries, offsetting gains in fastener employment if import relief had been imposed.

3. The Department of Labor has stated that reemployment prospects for unemployed fastener workers are fair since many of these workers are located in areas with unemployment rates below the national average.

4. Provision of import relief would subject U.S. jobs in other industries to possible foreign retaliation against U.S. exports or compensation by the United States by lessening U.S. import restrictions on other products.

5. Import relief would adversely affect U.S. international economic interests, particularly in light of U.S. efforts to reduce trade barriers in the multilateral trade negotiations.

6. The appreciation of the yen during 1977 will alleviate competitive pressures from Japanese fastener exports to the United States. Imports from Japan have comprised about three-fourths of total U.S. fastener imports in recent years.

In conjunction with my decision not to provide import relief on fasteners, I have directed the Secretary of the Treasury to initiate an expedited national security investigation, under Section 232 of the Trade Expansion Act of 1962, of U.S. imports of bolts, nuts, and large screws. I am taking this action in light of a staff study by the Federal Preparedness Agency which indicated that domestic fastener production capability was inadequate to satisfy U.S. requirements in a national emergency. This investigation will permit assessment of U.S. national security interests as they relate specifically to bolts, nuts, and large screws; I will consider whether to take action relating to imports of these products following completion of the national security investigation.

JIMMY CARTER

[Filed with the Office of the Federal Register, 3:41 p.m., February 13, 1978]

## American Bolt, Nut, and Large Screw Industry

*Letter to Secretary of the Treasury*

*W. Michael Blumenthal. February 10, 1978*

*Dear Mr. Secretary:*

Pursuant to Section 202(b) of the Trade Act of 1974, I have determined that provision of import relief on U.S. imports of iron or steel lag screws or bolts, bolts (except mine-roof bolts) and bolts and their nuts in the same shipment, nuts, and screws having shanks or threads over 0.24 inch in diameter, provided for in items 646.49, 646.54, 646.56, and 646.63 of the Tariff Schedules of the United States (TSUS) would not be in the national economic interest.

In conjunction with my decision not to provide import relief to the domestic bolt, nut, and large screw industry, I have determined that, in light of a recent Federal Preparedness Agency (FPA) staff study which indicates that domestic fastener production capability is not adequate to satisfy wartime metal fastener requirements, further investigation of U.S. national security interests as they relate to bolts, nuts, and large screws is warranted. Accordingly, I hereby direct that you undertake an expedited national security investigation under Section 232 of the Trade Expansion Act of 1962 (19 USC 1862) pertaining to U.S. imports of iron or steel lag screws and bolts, bolts (except mine-roof bolts), nuts, and large screws provided for in TSUS items 646.49, 646.54, 646.56, and 646.63.

Sincerely,

JIMMY CARTER

[The Honorable W. Michael Blumenthal, Secretary of the Treasury, Washington, D.C. 20220]

## American Bolt, Nut, and Large Screw Industry

*Letter to the Speaker of the House and the President of the Senate Transmitting a Report. February 10, 1978*

*Dear Mr. Speaker: (Dear Mr. President:)*

In accordance with section 203(b) (2) of the Trade Act of 1974, enclosed is a report to the Congress setting forth my determination that import relief for the U.S. bolt, nut, and large screw industry is not in the national economic interest, and explaining the reasons for my decision.

Sincerely,

JIMMY CARTER

### IMPORT RELIEF ACTION

#### BOLTS, NUTS, AND LARGE SCREWS

As required under section 203(b) (2) of the Trade Act of 1974, I am transmitting this report to Congress setting forth the actions I will take with respect to bolts, nuts, and large screws covered by the affirmative finding on December 8, 1977, of the U.S. International Trade Commission (USITC) under section 201 (d) (1) of the Trade Act. As my action differs from that recommended by the USITC, I have included the reasons for my decision.

I have determined that import relief for the domestic nut, bolt, and large screw industry would not be in the national economic interest for the following reasons:

1. The USITC reported that domestic producers' shipments and exports had increased in 1976 and the first half of 1977. It also indicated that domestic producers' rates of return on sales were above the corresponding ratios for producers of all fabricated metal products and for all manufacturing corporations. Furthermore, domestic producers or their wholly owned subsidiaries imported or purchased

20-25 percent of total 1976 shipments of imported fasteners in the United States. The domestic industry, particularly firms specializing in the production of automotive fasteners, has and should continue to benefit from increased U.S. consumption of fasteners.

2. Provision of import relief would have significantly increased costs of fasteners for U.S. manufacturers who use fasteners to produce cars, machinery, equipment, and construction items. The inflationary impact of providing relief could cause unemployment in other U.S. industries, offsetting gains in fastener employment if import relief had been imposed.

3. The Department of Labor has stated that reemployment prospects for unemployed fastener workers are fair since many of these workers are located in areas with unemployment rates below the national average.

4. Provision of import relief would subject U.S. jobs in other industries to possible foreign retaliation against U.S. exports or compensation by the United States by lessening U.S. import restrictions on other products.

5. Import relief would adversely affect U.S. international economic interests, particularly in light of U.S. efforts to reduce trade barriers in the multilateral trade negotiations.

6. The appreciation of the yen during 1977 will alleviate competitive pressures from Japanese fastener exports to the United States. Imports from Japan have comprised about three-fourths of total U.S. fastener imports in recent years.

In conjunction with my decision not to provide import relief on fasteners, I have directed the Secretary of the Treasury to initiate an expedited national security investigation, under Section 232 of the Trade Expansion Act of 1962 of U.S. imports of bolts, nuts, and large screws. I am taking this action in light of a staff

study by the Federal Preparedness Agency which indicated that domestic fastener production capability was inadequate to satisfy U.S. requirements in a national emergency. This investigation will permit assessment of U.S. national security interests as they relate specifically to bolts, nuts, and large screws; I will consider whether to take action relating to imports of these products following completion of the national security investigation.

NOTE: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Walter F. Mondale, President of the Senate.

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *February 4*

The White House announced that at the invitation of President Carter, President Josip Broz Tito of Yugoslavia will pay a state visit to the United States in March.

### *February 6*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- the Cabinet;
- Small Business Administrator A. Vernon Weaver, Jr.;
- Vice President Walter F. Mondale;

- Representative Tom Bevill of Alabama;
- Democratic National Chairman John C. White;
- Secretary of Defense Harold Brown.

### *February 7*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- the Democratic congressional leadership;
- Mike Mansfield, U.S. Ambassador to Japan;
- Ambassador Leonard Woodcock, Chief of the U.S. Liaison Office at Peking, People's Republic of China;
- James T. McIntyre, Jr., Acting Director of the Office of Management and Budget;
- Senator Ted Stevens of Alaska to discuss the Panama Canal treaties;
- Senator Jennings Randolph of West Virginia to discuss the Panama Canal treaties;
- Senator Howard H. Cannon of Nevada to discuss the Panama Canal treaties.

The President declared emergencies for the States of Rhode Island, Massachusetts, and Connecticut because of the impact of an abnormal accumulation of snow on vital transportation arteries within the States.

### *February 8*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Marion Edey, executive director of the League of Conservation Voters;
- Mrs. Carter, for lunch.

### *February 9*

The President met at the White House with:

- Dr. Brzezinski;

- Mr. Moore;
- Senator Gaylord Nelson of Wisconsin;
- Senator Edward Zorinsky of Nebraska;
- Senator John Melcher of Montana;
- the Intelligence Oversight Board;
- Representative Butler Derrick of South Carolina;
- Douglas A. Fraser, president of the International Union of the United Auto Workers;
- Secretary of the Treasury W. Michael Blumenthal.

*February 10*

The President met at the White House with:

- Vice President Mondale, Secretary of State Cyrus R. Vance, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski;
- Mr. Moore;
- Senator Howard H. Baker, Jr., of Tennessee;
- Senator H. John Heinz III of Pennsylvania;
- Vice President Mondale, Secretary Vance, Dr. Brzezinski, and Mr. Jordan;
- a group of editors and news directors (transcript will be printed next week).

The President attended the final session of a conference of members of the Federal Regional Councils in Room 450 of the Old Executive Office Building.

The President declared a major disaster for the State of Massachusetts as a result of coastal flooding, beginning about February 6, which caused extensive public and private property damage.

The President left the White House for a weekend stay at Camp David, Md.

**NOMINATIONS SUBMITTED  
TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

**Submitted February 6, 1978**

ROBERT J. MCCLOSKEY, of Maryland, a Foreign Service officer of the Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece.

JAMES B. KING, of Massachusetts, to be Chairman of the National Transportation Safety Board for a term of 2 years, vice Webster B. Todd, Jr., resigned.

The following-named persons to be members of the Board of Regents of the National Library of Medicine, Public Health Service, for the terms indicated:

*For a term expiring August 3, 1979*

THOMAS C. CHALMERS, of New York, vice Bernice M. Hetzner, term expired.  
KELLY M. WEST, of Oklahoma, vice Angelo M. May, term expired.

*For a term expiring August 3, 1980*

SAMUEL RICHARDSON HILL, JR., of Alabama, vice Ethel Weinberg, term expired.  
DORIS H. MERRITT, of Indiana, vice Max Michael, Jr., term expired.  
CECIL GEORGE SHEPS, of North Carolina, vice William N. Hubbard, Jr., term expired.

*For a term expiring August 3, 1981*

JAMES FRANKLIN WILLIAMS II, of Michigan, vice Joseph Francis Volker, term expired.  
NICHOLAS EDWARD DAVIES, of Georgia, vice William O. Baker, term expired.

The following-named persons to the positions indicated:

JOHN E. REINHARDT, of Maryland, to be Director of the International Communication Agency (new position).

CHARLES W. BRAY III, of Maryland, to be Deputy Director of the International Communication Agency (new position).

*Administration of Jimmy Carter, 1978*

**NOMINATIONS—Continued**

**Submitted February 7, 1978**

JOHN P. CONDON, of Oklahoma, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominion of Fiji.

JAMES PATRICK WALSH, of the District of Columbia, to be Deputy Administrator of the National Oceanic and Atmospheric Administration, vice Howard W. Pollock, resigned.

**Submitted February 9, 1978**

DONALD W. BANNER, of Illinois, to be Commissioner of Patents and Trademarks, vice Curtis Marshall Dann, resigned.

ROBERT MARION SAYRE, of Virginia, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

GALEN L. STONE, of the District of Columbia, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

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**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released February 8, 1978**

News conference: on the administration's proposals concerning Federal assistance for higher education—by Secretary of Health, Education, and Welfare Joseph A. Califano, Jr., Senators Claiborne Pell of Rhode Island

**CHECKLIST—Continued**

and Harrison A. Williams, Jr., of New Jersey, and Representatives William D. Ford of Michigan, John Brademas of Indiana, Frank Thompson, Jr., of New Jersey, Mario Biaggi of New York, and Carl D. Perkins of Kentucky

**Released February 10, 1978**

Text: joint memorandum of understanding between representatives of the Passamaquoddy and Penobscot Tribes and a White House Work Group on the tribes' land and damage claims in Maine and future Federal services to the tribes

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved February 6, 1978**

S. 1585----- Public Law 95-225  
Protection of Children Against Sexual Exploitation Act of 1977.

**Approved February 7, 1978**

H.R. 10532----- Public Law 95-226  
An act to amend Public Law 95-18, providing for emergency drought relief measures.

**Approved February 10, 1978**

H.R. 5054----- Public Law 95-228  
An act to repeal section 3306 of title 5, United States Code, to eliminate the requirement of apportionment of appointments in the departmental service in the District of Columbia.

H.R. 5322----- Public Law 95-227  
Black Lung Benefits Revenue Act of 1977.



# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, February 17, 1978

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## Interview With the President

*Remarks and a Question-and-Answer Session  
With a Group of Editors and News Directors.  
February 10, 1978*

THE PRESIDENT. First of all, let me say that I'm very glad to have you at the White House. This has been a good experience for us to have the editors and executives from the electronic media come to visit with our Cabinet members, on occasion, the White House staff members, and with me. And in some instances, the Members of Congress have invited the individual editors to come to the Hill.

I'd like to say just a few words and then spend the time we have answering your questions.

### ADMINISTRATION POLICIES

This past week has been a fairly busy one for us, primarily because of the visit by President Sadat, the initiation of the Panama Canal treaty debates, and continuing efforts—not so far successful—on the energy legislation.

We have, now, the Congress ready to recess. And we'll be working this weekend for an arms package to go to the Hill concerning the Middle East. I think we have made some good progress in the last 12 months in the Middle East.

Foreign Minister Dayan is in our country now. Prime Minister Begin is in Eu-

rope. And Dayan will be meeting with Secretary of State Vance and, perhaps, with me when he gets to Washington.

Roy Atherton,<sup>1</sup> who's been chief negotiator in the Middle East, will go back within a week or so to continue the preparation of a statement of principles that might be adequate, we hope will be adequate enough, for King Hussein to come into the discussions on the West Bank, Gaza Strip, and the Palestinian question.

President Sadat has made it clear to us that there will be no signing of a separate agreement between himself and Prime Minister Begin unless the resolution that I've described on the West Bank and with the Palestinians is concluded. We have benefited greatly as a nation in seeing some progress made on the Middle East, and particularly with the new direct negotiations between Egypt and Israel.

It's a very discouraging and frustrating thing to be the intermediary or the messenger boy between a group of leaders in the Middle East who won't even speak to each other. And when you carry a message from one to another, the one who receives it doesn't like it and blames the adverse message partially on the messenger. And then when the reply gets back, there's

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<sup>1</sup> Alfred L. Atherton, Jr., Assistant Secretary of State for Near Eastern and South Asian Affairs.

always an allegation that the United States didn't do its best to get a favorable answer. So, it's been a very constructive thing just to get direct negotiations begun.

I think the recognition by Egypt, publicly, of Israel's right to exist, right to exist permanently, right to exist in peace, is very good. And the offer by President Sadat that if a peace treaty can be worked out, that there will be full peace and not just a cessation of belligerency, is a step in the right direction.

I think Prime Minister Begin has been very forthcoming in receiving Sadat. His proposal for self-rule on the West Bank, Gaza Strip area, as presented to us here around this table, was a step in the right direction. So, we have some hopes there that we'll be successful.

The vote on the Panama Canal treaties will be, perhaps, the most important vote that I will face during my own term of office. A loss or rejection of the treaties would be, I think, a very serious blow to our Nation's interests. This is a patently bipartisan effort. All the Joint Chiefs of Staff who were appointed by Republican Presidents, the past Republican Secretaries of State, as well as the Democratic Secretaries of State, are for it, and the business community is almost unanimously for it. It's a difficult political question.

I think the news media has done an excellent job in explaining the reasons for the treaties, arguments pro and con, effectively to the public. Last year at this time the Foreign Affairs Institute, using, I think, George Gallup, showed only 8 percent of people were for the treaties; I think 70-something were against. The rest were undecided.

And the recent Gallup poll showed that a plurality for the first time was in favor of the treaties, I think 45 to 42. That was before my fireside chat. We are interested to see whether we gained or lost support as a result of my explanation to the people.

I've enjoyed this first year in office. It's been, obviously, an exciting and challenging responsibility.

Our home life has been good and pleasant. I think one of the best things that I can do as President is to keep close relationships with the people throughout the country. So, this initiation of a series of meetings with you and others like you has been very helpful to us.

One of the interesting things has been that your questions, in my opinion, have been much more substantive and pertinent in many instances than the ones I get from the White House news correspondents, because they are encaptured here in the Washington environment and you bring a fresh and a parochial approach. And I use the word "parochial" in a positive way, because you initiate questions that haven't and wouldn't ordinarily be detected or initiated here in Washington.

I'd be glad to answer a few questions now for you.

## QUESTIONS

### FEDERAL DISASTER ASSISTANCE

**Q.** Mr. President, Ray Rosenblum from WMOA, in Marietta, Ohio. My cousin, Jay Solomon,<sup>1</sup> encouraged me to ask you this question. In view of the profound economic hardships already suffered in Ohio and the Northeast due to killer blizzards and massive snows, what do you think of expanding the statutory definition of major disasters, as opposed to the other definitions of major disasters, to permit more Federal economic assistance more rapidly to such hard-hit areas?

**THE PRESIDENT.** My own experience in the last number of months—we've had all kinds of disasters—has been that the present statutes are adequate. I think in the

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<sup>1</sup> General Services Administrator.

aftermath of floods or tornadoes or heavy snowstorms or extreme drought, the reports back to me, following the alleviation of suffering, have been very good.

Obviously, local business persons or homeowners or Governors or mayors who have been through that trying an experience always can accept more aid. But I think the present disaster program is adequate.

#### WATER AND SEWAGE PROGRAMS

Q. Mr. President, the Chicago suburbs have faced a rather severe and growing water supply crisis. They recently have been given allocations of Lake Michigan water, but the cost of financing distribution systems seems almost irresolvable by some of these communities. Are there any Federal mechanisms that they could rely on to finance these over a period of decades?

THE PRESIDENT. Well, obviously, you're familiar with the present local public works programs, the EDA programs, the CETA programs, which give help in constructive labor opportunities, and the existing water and sewage programs already and historically in existence.

We have a supplementary budget request that has been before the Congress for months, which has been held up by the repeated votes on the B-1 bomber cancellation. The Senate has voted with me on several occasions to terminate construction of the B-1 after the first four are completed, and the House is now facing another vote on this issue.

I think there's a \$4½ billion program in there for water and sewage programs. And this would be an additional help. We hope that that will be resolved very quickly. Obviously, I want it resolved so that we don't waste another half a billion dollars or so building the fifth and sixth

B-1's which will never be useful to our country.

But there's an historic commitment among many Members of Congress to support the B-1 program, but that's the present holdup on additional help. But I think whenever we have expanded allocations of funds for education or for transportation or for housing, to some degree it relieves the local governments of a financial burden that they can then channel into special needs, obviously including drinking water in the Chicago area.

#### ALLOCATION OF FEDERAL PROGRAM FUNDS

Q. Some southern officials and southwestern officials are concerned that the so-called Sunbelt/Snowbelt controversy is going to mean fewer Federal dollars for them in the coming years—the Community Housing and Development Act of 1977, for an example. Are these fears justified, and does your administration plan to do anything to allay these fears?

THE PRESIDENT. I don't think they are justified. I have taken a different philosophy from some of my predecessors in trying to concentrate Federal program funds in the most intensely needful areas. I think in the past there has been a tendency—for instance, in housing, just to use one example, where money is allocated by the Congress with the intention of helping the most destitute regions—that the money is channeled out into the more affluent suburban areas because of the higher educational level, the better organizational structure, the more effective political presentation to program administrators and, quite often, also to a better understanding of what the Federal programs offer.

So, we're trying to correct that—I wouldn't say circumvention, but that distortion of congressional intent.

The way the committee chairmanships and the voting patterns are ranged, I think there's going to be an inherent balance in the allocation formulae for Federal programs. I cannot imagine any unfairness evolving as a pattern between the Snowbelt and the Sunbelt regions. If it should develop and was detected by me, then I would move in an executive way to try to correct that.

#### THE COAL STRIKE

Q. Mr. President, do you have any timetable for intervening in the coal strike, in view of the emergencies in Indiana and West Virginia?

THE PRESIDENT. No. We have helped in some way without invoking Taft-Hartley, both by the transfer of coal from excessive supply areas to those where the coal is not available, within States, and also to try to preserve peace by the use of the FBI and other Federal means.

We have encouraged the parties to continue to negotiate when they seem to be disappointed and inclined to stop their effort. And on one occasion, we asked Arnold Miller<sup>2</sup> to delay a decision for 24 hours—I think he decided 48 hours—to let there be a more careful consideration of the proposed agreement before it could be rejected out of hand.

The Taft-Hartley law gives me the authority to bring the Federal Government into the discussions only if the national security is threatened, and that point has not yet been reached. We monitor on a daily basis the reserve supplies of coal, both geographically and industry by industry.

So, I will continue to keep aware of the specific needs; transfer of coal from one point to another, now, that's already available. And we still have a fairly heavy production of coal in the nonstrike areas.

<sup>2</sup> President, United Mine Workers.

#### NATIONAL WATER POLICY

Q. Mr. President, Craig Lesser from Charlottesville, Virginia, formerly of Cartersville, Georgia.

THE PRESIDENT. Oh, really? Well, I'm glad to hear from you.

Q. Mr. President, I was at the seminar in Denver, where we heard about water.

THE PRESIDENT. I remember.

Q. You, at that time, I believe, said that all kinds of decisions or discussions were going to be in public. How far along the road are you on a national water policy?

THE PRESIDENT. It'll be finished within the next couple of weeks and presented to me. And then I'll assess the recommendations that are derived from the different agencies of the Federal Government—the Corps of Engineers, the Department of Interior, EPA, and others—and then I'll make a decision on it. I can't tell you yet how long it would take me to decide, but the deadline for them to present it is within a couple of weeks.

Q. How comprehensive do you anticipate that's going to be?

THE PRESIDENT. I don't know yet. But I am insistent upon the fact that the Federal Government is not going to take over the responsibility for allocating water within States.

#### POSTAL REFORM BILL

Q. Mr. President, my name is Walter Grunfeld from Marathon, New York. I am 1 of 10,000 publishers in the weekly community field in the United States. And I'm sure that you are aware of H.R. 7700. I would like to tell you that we are wholly dependent in the weekly newspaper business on the United States mail service.

I would ask you to give the bill every consideration, and perhaps you would give us some comment on how you feel about the postal reform bill at this time.

THE PRESIDENT. My hope is that the postal reform bill as presently drafted will not get out of the Rules Committee and, if it does, that it won't pass.

Q. Mr. President, do you suggest that perhaps—is there any way that we as an association or as community publishers, since it's so important to us, can urge our association or the sponsors to modify that bill in any way?

THE PRESIDENT. It's a very complicated bill and far-reaching in its impact. It would have a very adverse effect on the Federal budget. I think that in general—I don't mean conclusively—but in general, the Congress and the President ought to stay out of the administration of the Post Office itself.

My own concern, among others, is that if the bill is approved and another \$1½ or \$2 billion is allocated to the Post Office, that this might be an encouragement to channel that money not into better services, necessarily, but into immediate, additional increases in salaries for the postal employees.

They already receive a higher level of pay than the average Federal employee. And as you know, this has to be negotiated according to standard management-labor contract terms. Those are some of the concerns that I have.

My guess is that the majority of the Members of Congress agree with the position that I've outlined to you.

#### SCHOOL DESEGREGATION

Q. Mr. President, HEW has expressed displeasure with integration of the University of North Carolina school system in addition to, perhaps, Virginia. And HEW has also said it's going to monitor other States, including my State of South Carolina.

They're using the stick approach of threatening to cut off, perhaps, new Fed-

eral funds to the universities who don't desegregate and shuffle programs from mostly white schools to mostly black schools.

Do you think it proper for HEW to get into the curriculum program of the universities of, say, North Carolina, and take this approach?

THE PRESIDENT. As I'm sure you know, HEW got into the question because of a direct order from the Federal courts to ensure two primary things. One is a proper acceptance of black students in the predominantly white colleges and vice versa, so that there wouldn't be a 95- or 96-percent black or white student body.

And the second thing is to ensure that the State legislatures and State boards of regents in the predominantly black colleges didn't give them a lower level of physical and educational service as contrasted with the white colleges.

I don't think anybody could argue with those two basic principles. I think that, as you describe it, the punitive aspect of the HEW decision is quite modest. In other words, there won't be any massive withholding of Federal funds that would hurt all the students in a university system or even a single college.

But funds will only be withheld if the States are adamant against complying with the Federal court ruling. And in those cases, the funds would be withheld only for specific, narrowly defined programs that relate to the nonsegregation act.

So, I think that Joe Califano has done a very good job in dealing with that difficult question. As you know, so far as I know, South Carolina and Arkansas, Alabama, Mississippi, Florida have all done quite well. The States, I understand from Secretary Califano as being a problem, are Georgia, North Carolina, and Virginia.

Q. HEW just told us the other day that in the next year or so they intend to look

at other States, such as South Carolina, just to make sure they're complying.

THE PRESIDENT. I understand. Well, I'd like to reemphasize one more time, I don't deplore nor do I disagree with the action HEW is taking. But it is in direct compliance with the Federal court order.

#### FEDERAL REGIONAL OFFICES

Q. Mr. President, given the path that your administration has taken relative to implementing domestic programs which address the negative impact of high unemployment levels among our cities, specifically the intention of the Economic Development Administration Public Works program and the \$400 million Housing and Urban Development Urban Action Grants program, it seems that many key Carter appointments within these two agencies have yet to be made. How does this situation affect the delivery of these well-intended programs? I'm referring to the Indianapolis head area office directorship, and the Chicago EDA regional office directorship.

THE PRESIDENT. Just before lunch, I came back from a conference, that has been underway now for 2 days, of all of our top regional officers representing the agencies that you've described and others. It's the first time this has ever been done.

When I came into office, I was very disappointed, as a past Governor, with the effectiveness of regional offices. And one of the options that we assessed was to eliminate these offices altogether. After 8 or 10 months of study at the Cabinet level and out in the field, we decided to put them together in a much more effective fashion, to keep them informed about basic thrusts not only of legislation itself but of implementing procedures.

We've eliminated the disharmonies among Cabinet officers that previously were mirrored at the regional level. And

I've asked these regional leaders of 10 regions this morning, plus, I guess, a hundred or so others, at the end of a year to give me a report on how well they were doing to work closely with the State and local officials, to have innovative programs on their own, and to call me directly if there was ever any obstacle to good administration at the Cabinet level or at the White House staff level.

I think that we have gone through a 12-month period of complete reassessment. But I feel confident that now the regional offices will have a rapidly increasing degree of both autonomy and responsibility.

#### NATIONAL ENERGY PLAN

Q. Mr. President, I've been a believer in the energy program from the start. And in our house, which is 50 years old, between last year and this year, in the same month, we saved 17,000 cubic feet of natural gas through insulation measures and other measures, putting in a new furnace and this and that. Where do we stand on the energy program right now?

THE PRESIDENT. I proposed a comprehensive energy plan last April 20. The House passed it in August—a very good program which was completely acceptable to me. The Senate passed an unacceptable program, which they acknowledged to be unacceptable, just to get to conference last October or November. And since then, the conference committee of the Senate has been split 9 to 9, and not a single member has changed his vote. Senator Lee Metcalf died, which left the committee 9 to 8.

And we have not been able to get a full committee meeting even in the Senate. Senator Jackson is the chairman of the Senate conferees. He's been working literally day and night since Christmas, trying to work out some resolution of the question that's been the major obstacle, and that is the pricing of natural gas.

They've now agreed in principle on deregulation with an initial price of natural gas, an increase in natural gas, with a certain percentage per year, complete deregulation to exist some years in the future. I'm being vague because the position of the Senators is vague. They've worked out at least alternate proposals on the definition of new gas, both on land and in the Outer Continental Shelf areas.

I met this morning with Senator Howard Baker. I met the day before yesterday with Senator Jackson. And both of them feel that we will have an energy bill. After we finish the natural gas deregulation discussion in the Senate, then before there's an actual vote, there would be a meeting with the House conferees and Dr. Schlesinger, who would represent me, and there would be a fairly general consensus that this is what we will support.

Then the conference committee will send their recommendations back to the House and Senate. That would leave the oil pricing legislation as the only remaining issue. And I've had indications from the Senators, Senator Long and others, that once the natural gas problem is resolved, there would be a fairly rapid decision on the crude oil equalization tax question—whether or not they have a reserve fund to enhance oil production and how the collected taxes would be distributed.

So, I've been very disappointed at the delay. The first veto of a natural gas deregulation bill was in 1950, 28 years ago. And I have never seen in my own experience, and the Members of Congress tell me that they've never seen such a complicated subject with so many highly conflicting and intensely held opinions and with such a repeated and ancient commitment expressed for conflicting points of view by previous votes.

It's very hard for a Congress Member to vote five times in a row for deregulation instantly and then decide that he'll wait 8 years before it's deregulated, or 5 years, and so forth. The inability to compromise has been very hard. But I would say that we will have bills. It's of crucial importance. And I think the Congress is feeling an increasing desire to resolve this issue once and for all. My understanding from the Senate leaders is that as soon as the Panama Canal treaties are completed, that energy will be the number one item on the agenda.

#### TAX REFORM

Q. Mr. President, you've recommended a \$25 billion tax cut program. The Republicans on the other hand have the Kemp-Roth bill, which would cut taxes by about 33 percent over a 3-year period. Why do you think your package is better than theirs?

THE PRESIDENT. Well, you know, as President, I had all the options to choose from. We assessed tax packages all the way from \$10 billion to \$50 billion. And I felt that we needed several things related to taxes: One was a reform of some of the inequities that seemed to me to be obvious to provide more fairness; secondly, a substantial simplification of the tax laws and, therefore, the tax forms to be filled out; and an overall tax reduction.

I think that our proposal reduces the taxes of a four-person family, for everyone in the country who makes less than \$100,000 or \$200,000. And it more than compensates in almost every instance for the increase in social security taxes.

The primary people that are having to pay increased social security taxes are those who make \$20,000, roughly, or above. They deliberately ignore the fact that although they are paying more for social security, their retirement benefits

under social security will be substantially enhanced because they'll have a higher level of income on which to base their ultimate monthly retirement benefits. So, I think that in balance that the purposes are met.

As far as the choice between \$20 billion and \$30 billion or \$25 billion or \$15 billion or \$35 billion—that's somewhat of an arbitrary figure. I wanted to be sure that our deficit this year, this coming year, was no larger than the one this year, in spite of the tax decrease. A \$25 billion tax reduction shows up as a \$15 billion or \$20 billion net increase in the deficit. Without that, we would have had a substantial reduction. That's one factor.

Next year, the deficit would be much less than it is in the '79 budget. I wanted to be sure we didn't contribute to increased inflation. And this is another important matter. I think that we wanted to have some economic stimulation.

Our goal is to continue a downward trend in unemployment, although it would be a slight downward trend as we project it in 1978. And I wanted to try to have a target of  $4\frac{3}{4}$  to 5 percent on increasing the GNP in real terms.

In our judgment, mine and the economists who work with me—the Secretary of Treasury, Commerce, and others—the \$25 billion figure was the one that best fit all those requirements.

#### SOCIAL SECURITY

**Q.** Mr. President, it was mentioned earlier this morning that there may be some reconsideration being given to the social security bill. Can you comment on that? Are you reconsidering or do you know if the Members of Congress are reconsidering?

**THE PRESIDENT.** Well, I think all of the Members of Congress are concerned. As you know, the bill that was passed by

Congress was much more costly to the working families, the taxpayers, than the one we proposed.

We thought that there ought to be some shift of funds from one social security reserve fund to another when needed, and that when the inflation rate and the unemployment rate had an exceptionally high drain on the social security system, that general funds should be used and triggered for those transient times.

The Congress rejected both those elements and put all the burden of paying the social security increase on the working families themselves. I think there will be a continuing reassessment of how to better balance the origin of the funds.

With a lowered unemployment rate and, I guess, more specifically, a much higher participation in the labor force, you tend to build up the reserve funds for a given level of taxation. That will help. I think the unemployment compensation payments are dropping off.

So, a growing economy will help us to protect the integrity of the social security system. The present level of social security payments is completely attributable not to this past year's legislation, but to previous legislation that had built in automatic increases. And that's something that the public has forgotten, as well. But I don't see any substantial change in the social security income and payment.

The system has got to have fiscal integrity on a permanent basis. And I think this will provide it. There may be some modification by the Congress in the future of exactly where the origin of those funds might be and more flexibility in shifting money from one fund to another.

**MR. WURFEL.** Thank you, Mr. President.

**THE PRESIDENT.** Thank all of you. I've really enjoyed being with you and hope



you've had a good time coming to the White House. It was an experience that I never had. [*Laughter*]

And I want to express my thanks again for the great coverage that we've gotten from you—both approbation and criticism—it's very helpful. Every night about 9:30 or 10 o'clock, I get a news summary of, I guess, 8 or 10 pages, that comes upstairs to the White House. And it has selected editorial comments from, I think, about 200 papers in the Nation.

We have a summary of each item on the evening network news and how many seconds were devoted to that subject. And we have the AP and UPI reports that come to me that evening. And of course, I read a lot of newspapers and magazines myself. But the feedback from around the country on a daily basis, or even more frequently, serves as a great guide to us about what the needs of our people are.

We quite often detect the unsuccessful administration of a program or an undetected need from what you report to your own readers and listeners and viewers. And I just want to thank you for giving me this chance to reestablish a good relationship with you, at least as far as communications goes.

You know, I don't know all the answers. I've learned a lot in this past year. And I think we've got a good working relationship with the Congress that perhaps did not exist 8 or 10 months ago. I've learned about them. They've learned about me. And there's an ease of communication and exchange of ideas that didn't exist this time last year.

Thank you very much.

NOTE: The interview began at 1 p.m. in the Cabinet Room at the White House. Walter W. Wurfel is Deputy Press Secretary.

The transcript of the interview was released on February 11.

## Labor Disputes in the Coal Industry

*Statement by the President.  
February 11, 1978*

In recent weeks I have been following closely developments in the coal strike. Earlier this week it appeared that the impasse might be over when the bargain-ers reached a tentative agreement on a new contract.

Recent events, however, have slowed and, perhaps, threatened ratification of that contract. At the same time, the situation in some areas of the country has become a matter of increasing concern.

Voluntary power cutbacks have become widespread in the east-central region, centering in Ohio, and several utilities have ordered mandatory cutbacks to industrial customers. More such cutbacks will follow even if the strike is settled soon, and employment impacts will be felt shortly.

In view of the uncertainties of the current situation, I have instructed members of my Cabinet to accelerate planning and preparation for any contingencies that may arise from continuation of the strike.

—I have asked the Secretary of Labor, working in close cooperation with the Federal Mediation and Conciliation Service, to continue efforts to facilitate the collective bargaining process.

—I have asked the Secretary of Energy (1) to identify and plan for possible movements of coal to points of critical shortage, and (2) to continue his efforts to ensure maximum possible electric power transfer into the affected region from other electric utility systems not affected by the coal strike.

—I have asked the Administrator of General Services to ensure that all Federal facilities in the affected region reduce their power consumption to minimum necessary levels, effective immediately.

—I have instructed the Administrator of the Environmental Protection Agency

to provide expedited review of any requests for temporary relaxation of the Clean Air Act regulations that may be needed.

—I have instructed the Attorney General, working in close cooperation with the Governors of the affected States, to review and plan for any Federal measures that may be needed to ensure continued peace and lawfulness in the areas most affected by the strike.

—In addition, I have requested formation of a Federal/State task force, with headquarters in Canton, Ohio, to coordinate efforts to ensure that employment and human need consequences of power cutbacks are minimized, and that power brought into the affected region is shared equitably. This task force, to be composed of Governors, representatives of Federal agencies, State public utility commissions, private and public utilities and industrial users, will be established immediately and will convene initial meetings within the next few days.

I continue to believe that the solution to the strike must be worked out in free collective bargaining by the parties. I hope that all those involved in the strike will abide by the law and act responsibly in all respects. I urge all parties to respect the principles of fairness and cooperation during the days ahead.

Those in areas most affected by the strike have already made great sacrifices. Before the strike is over, and for several weeks thereafter until the normal flow of coal is restored, even greater hardship will occur. I urge all those in areas threatened by power cutbacks to conserve energy, so that these sacrifices are shared equally and so that no one will suffer unfairly or unnecessarily.

## Energy Emergency in Ohio

*Statement by the President.*

*February 11, 1978*

Based on a petition submitted to me by the Governor of the State of Ohio, pursuant to Section 110(f) of the Clean Air Act, I hereby determine that a regional energy emergency exists in the State of Ohio of such severity that a temporary suspension of certain particulate control regulations under the Ohio Air Quality Implementation Plan may be necessary, and that other means of responding to the energy emergency may be inadequate. This determination shall be effective for not more than thirty (30) days, provided that the State of Ohio shall hold the public hearing required by Section 110(f) of the Clean Air Act within 1 week of this determination. The Administrator of the Environmental Protection Agency retains full authority to disapprove temporary suspensions of regulations in Ohio on a case-by-case basis and to exercise his emergency powers authority under Section 303 of the Clean Air Act, when and if necessary.

I urge the Governor to act with due care if he suspends air pollution regulations under the authority provided by this determination, since such regulations are important to protect public health.

NOTE: The Presidential determination is printed in the *FEDERAL REGISTER* of March 24, 1978.

## Overseas Private Investment Corporation

*Nomination of James M. Friedman and Richard R. Swann To Be Members of the Board of Directors. February 13, 1978*

The President today announced that he will nominate James M. Friedman and Richard R. Swann to be members of the Board of Directors of the Overseas Pri-

vate Investment Corporation for terms expiring December 17, 1979.

Friedman, of Shaker Heights, Ohio, would replace Gustave Hauser, who resigned. Friedman was born August 1, 1941, in Cleveland, Ohio. He received an A.B. from Dartmouth College in 1963 and a J.D. from Harvard Law School in 1966. He practiced law in Cleveland from 1967 to 1971 and from 1972 to the present. In 1971 and 1972, he was executive counsel to then-Governor John Gilligan of Ohio. Friedman was chairman of the Ohio Civil Rights Commission from 1972 to 1974.

Swann, of Orlando, Fla., would replace James A. Suffridge, whose term has expired. Swann was born May 5, 1940, in Orlando. He received an A.B. in 1961 and a J.D. in 1963 from Duke University. He is an attorney in Orlando. He is currently special counselor to the Florida treasurer and insurance commissioner. He has served on the Orange County Budget Commission and the Orlando-Orange County Expressway Authority.

## Food for Peace Program

*Letter to Five Congressional Committee Chairmen. February 13, 1978*

In accordance with the International Development and Food Assistance Act of 1977, I herewith forward a comprehensive study of the payment of ocean freight differentials between United States-flag rates and foreign-flag rates when United States-flag vessels are required to be used for the shipment of agricultural commodities under the Agricultural Trade Development and Assistance Act of 1954 (PL-480).

I endorse the recommendation of the study that the responsibility for funding

PL-480 ocean freight differentials be retained in the Department of Agriculture, but that the presentation of the Department of Agriculture's budget to the Congress be improved by clearly identifying these costs as support of the U.S. merchant marine. I believe that the recommended change in budget presentation will avoid the concealment of a subsidy in the budget without imposing an undue administrative burden on the departments and agencies.

Sincerely,

JIMMY CARTER

NOTE: This is the text of identical letters addressed to Thomas S. Foley, chairman, House Committee on Agriculture; Herman E. Talmadge, chairman, Senate Committee on Agriculture, Nutrition, and Forestry; Warren G. Magnuson, chairman, Senate Committee on Commerce, Science, and Transportation; John M. Murphy, chairman, House Committee on Merchant Marine and Fisheries; and Clement J. Zablocki, chairman, House Committee on International Relations.

## Federal Summer Employment Program for Youth

*Memorandum From the President.  
February 14, 1978*

*Memorandum for the Heads of Departments and Agencies*

When schools throughout the Nation close for the summer, many young men and women will be seeking summer jobs. This year, due to the high degree of unemployment among youth, Federal managers, and employers in the private sector, must increase their efforts to provide meaningful employment experiences for young Americans.

Through summer employment, young people will have opportunities to apply

what they have learned in the classroom. For many, summer employment will enable them to earn funds necessary to return to school in the fall.

I am asking each of you to personally support the Federal Summer Employment Program for Youth. In selecting students to work in the Federal Government, we must ensure that special efforts are made to attract needy young people. For this reason, we are again setting an employment goal of one needy youth for every forty regular employees.

Chairman Alan K. Campbell and his staff at the Civil Service Commission will provide leadership to the Summer Employment Program, and will report to me on our accomplishments. Commission staff will soon be providing you with more details on the program.

I urge each of you to take full advantage of this opportunity.

JIMMY CARTER

## Labor Disputes in the Coal Industry

*Remarks on the Stalemate in the Negotiations.  
February 14, 1978*

The present stalemate in the coal strike inflicts continuing and increasing hardships on this country and also on the miners, both active and retired. It cannot be allowed to continue.

I have just directed the Secretary of Labor to convey to negotiators for management and for the mineworkers my personal and most urgent request that serious negotiations be resumed immediately here in the White House.

I've also instructed the Secretary of Labor to participate personally in these negotiations and to give me a report, at least daily, on progress that is being made in resolving the present stalemate.

I continue to support the collective bargaining process. However, the welfare of this country must be my overriding concern. Renewed negotiations here in the White House must be viewed as a final opportunity for this bargaining process to work. If it does not, then I will have no choice but to resort to stronger measures.

While law enforcement is a primary responsibility of State and local governments, I've also asked the Attorney General to give me a complete assessment of the powers available to ensure protection of life and property in these extraordinary circumstances.

REPORTER. Mr. President, would you invoke the Taft-Hartley Act if they failed to negotiate?

THE PRESIDENT. That's one of the options available to me, yes.

NOTE: The President spoke at 5 p.m. to reporters assembled in the Briefing Room at the White House.

## Energy Emergency in Indiana

*Statement by the President.  
February 15, 1978*

Based on a petition submitted to me by the Governor of the State of Indiana, pursuant to Section 110(f) of the Clean Air Act, I hereby determine that a regional energy emergency exists in the State of Indiana of such severity that a temporary suspension of certain particulate and sulfur dioxide control regulations and regulations governing reserves of low sulfur coal under the Indiana Air Quality Implementation Plan may be necessary, and that other means of responding to the energy emergency may be inadequate. This determination shall be effective for not more than thirty (30) days, provided that the State of Indiana shall hold the public hearing required by Section 110(f) of the

Clean Air Act within 1 week of this determination. If, during the period of suspension, I determine that a regional energy emergency no longer exists in Indiana, I will direct that the temporary suspension be terminated promptly. The Administrator of the Environmental Protection Agency retains full authority to disapprove temporary suspensions of regulations in Indiana and to exercise his emergency powers authority under Section 303 of the Clean Air Act, when and if necessary.

I urge the Governor to act with due care if he suspends air pollution regulations under the authority provided by this determination, since such regulations are important to protect public health.

I also urge the Governor to implement fully all necessary energy conservation measures, including those power curtailment orders cited in the petition, so that the necessity for suspension of pollution control regulations can be minimized.

NOTE: The statement was released on February 16.

The Presidential determination of February 15 is printed in the *FEDERAL REGISTER* of March 24, 1978.

Kirk served as foreign affairs officer at the State Department from 1955 to 1957, and as political officer in Rome from 1957 to 1959. In 1959 and 1960, he was Special Assistant in the Office of the Secretary of State.

In 1960 and 1961, Kirk was public affairs officer of the Office of Soviet Union Affairs. In 1962 and 1963 he took Russian language and area training. He was political officer in Moscow from 1963 to 1965, in New Delhi from 1965 to 1967, and in Saigon from 1967 to 1969.

From 1969 to 1971, Kirk was special assistant in the Bureau of East Asian and Pacific Affairs. In 1971 and 1972, he took the senior seminar at the Foreign Service Institute. In 1972 and 1973, he was on detail as Deputy Assistant Director of the International Relations Bureau at the U.S. Arms Control and Disarmament Agency.

Kirk was Ambassador to the Somali Democratic Republic from 1973 to 1975. Since 1975 he has been Deputy Director of the Bureau of Intelligence and Research at the State Department.

## International Atomic Energy Agency

### *Nomination of Roger Kirk To Be U.S.*

*Deputy Representative. February 16, 1978*

The President today announced that he will nominate Roger Kirk, of Washington, D.C., to be the Deputy Representative of the United States to the International Atomic Energy Agency. He would replace Galen L. Stone, who has been nominated to be Ambassador to Cyprus.

Kirk was born November 2, 1930, in Newport, R.I. He received a B.A. from Princeton University in 1952. He served in the U.S. Air Force from 1952 to 1955.

## Pension Benefit Guaranty Corporation

### *Appointment of Three Members of the Board of Directors. February 16, 1978*

The President today announced the appointment of three persons to be members of the Board of Directors of the Pension Benefit Guaranty Corporation for terms expiring February 19, 1980. They are:

**KENNETH L. HOUCK**, currently a member of this Board; assistant general counsel of Bethlehem Steel until his retirement in 1974; and management trustee of the United Mine Workers Health and Retirement Funds.

ROBERT TILOVE, senior vice president and consultant on employee benefit plans at Martin E. Segal Co. in New York. He replaces Eugene Burroughs, whose term has expired.

CAROL W. TRENCHER, currently a member of this Board, and a partner in the New York law firm of Dewey, Ballantine, Bushby, Palmer & Wood, where she works in the field of employee benefits.

The Pension Benefit Guaranty Corporation is an independent Government corporation established under the Employee Retirement Income Security Act of 1974, to insure private sector defined benefit pension plans.

## United Nations Children's Fund

*Appointment of George I. Lythcott as U.S. Alternate Representative on the Executive Board. February 16, 1978*

The President today announced the appointment of George I. Lythcott as Alternate Representative of the United States on the Executive Board of the United Nations Children's Fund.

Lythcott, 59, of Reston, Va., is Administrator of the Health Services Administration at the Department of Health, Education, and Welfare. He is a physician, specializing in pediatrics, and has served as a consultant to various Government agencies.

## Interview With the President

*Remarks and a Question-and-Answer Session With Representatives of Black Media Associations. February 16, 1978*

THE PRESIDENT. Well, let me say, first of all, that it's a great pleasure and an honor for us to have you here today in the White House. I know that the his-

tory of black journalism in our country is a very fine and honorable one. And I had a chance to commemorate, I think, the 150th anniversary by greeting some of you in the Oval Office this past year.

### MINORITY PROGRAMS

Very shortly I intend to send to the Congress a message, within the next week or two, extending the CETA program, so that we can focus roughly \$13 billion worth of public service job money more narrowly on areas where it is needed. In addition to that, we'll add \$400 million in private sector jobs.

This past year we had a substantial increase in employment among black Americans, I think about 6.7 percent, and among black teenagers, an increase of 7.8 percent. But that still leaves a tremendous unemployment rate, particularly among our young people.

We have plans in the 1979 budget to triple the amount of money devoted to the training and employment of young minority teenagers, from roughly \$776 million to about \$2.3 billion. So, we are making steady progress, and many of the programs that we initiated with the help of the Congress in 1978 are just now beginning to have its full effect be observed.

In addition, we have passed our goal of having \$100 million in Federal money deposited in minority-owned banks, and we will meet our goal of more than 10 percent of the local public works projects being devoted or assigned to minority businesses for completion.

I've instructed all executive agencies in the Federal Government to double in this and the next fiscal year the amount of purchases of equipment and supplies from black or minority-owned businesses.

And the last point that I wanted to make is that we will send to the Congress very shortly a complete reorganization of

our civil rights agencies in the Federal Government. I think you'll have a chance this afternoon to meet with Eleanor Holmes Norton, who will be able to answer your questions more specifically about that.

We have a long way to go in our country in meeting the legitimate needs of citizens who have been deprived too long of equal employment opportunities, equal educational opportunities, and equal opportunities, once they establish, through their own initiative, a business, to be treated fairly by their own government. But we are making progress, and it's gratifying to me to be able to make this brief report to you.

And I hope that during the next months, as these programs become effective, Congress authorizes the appropriation of money—and I think we have an excellent chance to be successful—that you will help us by reporting to Bunny Mitchell or someone else in the White House or me directly if you see the need, any absence of completing the goals that I've described to you.

We have a good attitude in the Congress. The Congressional Black Caucus is very vocal, very well organized, very forceful. They help to inspire me to do a better job, and I think they will tell you that we have a good working relationship here.

I'll be glad to answer any questions that you might have about these or other matters for a few minutes. I've got to go at 1:30. I've got to meet with Foreign Minister Dayan, and I'd like to save enough time to get a photograph with you all, if you have no objection.

## QUESTIONS

### MINORITY PROGRAMS

Q. One quick question I have, Mr. President, is that in view of some of the

programs you wish to put into effect, once it's seen that they are moving ahead or the timetable being so important, is it possible perhaps by Executive order to get some things rolling sooner?

THE PRESIDENT. Yes, some of the things I've described to you are being done by Executive order. For instance, the increase in deposits in black banks—that was done by orders from me to my Cabinet members.

The doubling of purchases from black-owned suppliers of equipment and supplies was done by Executive order. We've had 10 percent built into the law as a target for black-owned contractors in public works projects for construction, ground preparation. The last report I got was we were exceeding that; we were at about 14 percent level. That's at Commerce Department.

And of course, the reorganization of the civil rights agencies in the Federal Government is done under the reorganization bill. I don't have to get a law passed. What I do is submit the reorganization plan to the Congress, and if they don't veto it, it goes into effect. It's kind of a combination Executive order, in other words.

Now, the tripling of money set aside for minority youth employment is a budget item, and that specific tripling of the money allotted for youth employment does have to be approved by the Congress.

Q. I was concerned about SBA [Small Business Administration] or OMBE [Office of Minority Business Enterprise].

THE PRESIDENT. The SBA, particularly Title 8-A program, is being done now by Vernon Weaver, who's the Administrator of that Agency. And I don't believe that we will be delayed because of congressional action. I think we can proceed with a greater number of reforms there to make sure that the present law is

administered properly, which it really wasn't the last 8 years.

#### ENERGY EMERGENCY AND THE COAL STRIKE

Q. You're meeting with the Governors this afternoon, and I'm wondering what help you're going to be able to give to the State of Ohio, where the poor are really affected by the recent weather problems, the coal strike.

THE PRESIDENT. Well, we were successful last night, as you know, in getting the coal operators and the mineworkers back to the negotiating table. They recommenced their negotiations this morning at 9:30 under the auspices of and with the help of the Secretary of Labor directly.

In the meantime, though, there are a lot of things we can do to prevent people from becoming unemployed. One is to transfer electric power from the surrounding areas into the 12 States that are most heavily impacted by cold weather and by heavy dependence upon coal.

Another thing that we can do is to transfer coal, either within States or across State lines, from one source of supply, where the inventory might be quite high, to another one, which is in danger of having to shut down an electric power production plant.

Another thing that we need to do is to make sure that any transfer of that kind in coal is done without violence to those who are trying to transport those supplies. And this is primarily a responsibility of the local and State officials. And, of course, we have to be sure that we, at the Federal level, give full support and coordination.

What I'll do this afternoon with the 12 Governors—the attendance will be a hundred percent because of the seriousness of the problem—is to exchange ideas and communications with them and set up a mechanism in the White House so that

any particular problem that evolves in Ohio or Indiana, Pennsylvania, the others, can be addressed to me directly without delay.

We have some administrative action that can be taken. For instance, when coal is burned in complete compliance with environmental protection standards, it's only at about 96 percent of the efficiency than if it's burned and you emit some stack gases, because you can shut down the air scrubbers and get a little bit more power production per ton of coal. And during the 30-day energy emergency that I have declared, the Environmental Protection Agency can authorize the Governors to let coal be burned without the stack scrubbers that take about 4 percent of the power away. So, there are a few things we can do in this manner.

I think that we also have to prepare for the eventuality that I hope we never see, of a breakdown in the negotiations. And if we do have to invoke the Taft-Hartley Act—and I sincerely hope we will not—then the Federal courts, if they agree that an injunction is necessary, would get such an injunction, and it would require a little more attention than to law enforcement to make sure that there is no violence perpetrated against persons or property.

#### ADMINISTRATION ACCESSIBILITY; BLACK REPORTERS; D.C. HOME RULE

Q. Mr. President, you mentioned for us to contact Bunny Mitchell. I've called her on several occasions, and I have several different people answering the phone. Does she have a staff, or, if not, would you see to it that she get a staff, inasmuch as she is going to be handling these problems?

Number two, we have correspondents here—and I don't know whether it's by omission or not—but we have a tend-



ency, we don't have an opportunity for black reporters to participate in your press conferences. Very seldom are they given an opportunity to ask you a question.

And then the final question, I want to thank you on behalf of District employees, as far as coming out for home rule. How do you envision our getting full voting privileges here in our Nation's Capital? Do you have any predictions of what we could do?

THE PRESIDENT. Well, in the first place, if you need to contact the White House itself, Bunny is the proper one to call. Or if there's a matter that relates to domestic affairs, to Stu Eizenstat; if a matter relates to employment opportunities, it would be the EEOC [Equal Employment Opportunity Commission]; and if it relates to transportation, obviously you'd call the Secretary of Transportation.

I don't mean that whatever problem comes up that you have to call the White House to get it done. I think the best approach would be for you to call the member of the Cabinet who's responsible for that particular function. And I hope that after today all of you will know at least fairly clearly which department has which responsibility. Obviously, housing and urban development would come under Pat Harris; the Commerce Department administers the local public works programs and the EDA programs, and that would be Juanita Kreps. Anything related to transportation would be Brock Adams; and anything related to health, education, and welfare, Joe Califano.

I think the first preference would be for you to go to the Cabinet. I should have made that clear.

Bunny is my staff person in the White House. I have seven senior staff members. She is one of the seven, and we have a

very small staff support here at the White House. We don't have a Haldeman-Ehrlichman. You don't have to go through the White House to get to a person who's administering a specific program.

Since you live in the District, quite often your people will be Federal employees and might be complaining about equal employment opportunity. Eleanor Holmes Norton would be the one to contact directly on that.

If you don't get satisfaction though at the Cabinet level, then I would welcome you calling the White House directly.

The question about voting rights in the District—we have endorsed this full representation for the District of Columbia. The hearings are now going on, I think, in the House Judiciary Committee. As you know, it would require a constitutional amendment to authorize the District of Columbia to be treated in the Congress as a State. The District of Columbia would not be a State, but it would have two Senators and the equivalent number of House Members, depending upon its population, which is growing.

We support this fully, and the members of my Cabinet, including the Attorney General, are testifying in favor of the need for this.

As far as the black reporters being recognized at press conferences, I don't know many of the names of the reporters who serve on the White House press pool. I know we had a reception for them Christmas; we had, I think, 1,400 people who came. There are hundreds of them. And I try to do the best I can to spread the questions around. But one black reporter that I call on every now and then is Ed Bradley with CBS. And I try to spread my questions around.

Q. We'll give you the names of our black-owned newspapers. [*Laughter*] Ed Bradley is with CBS.

THE PRESIDENT. Yes, I know.

Q. We are desirous, however, our black-oriented publications have an opportunity to ask our President a question.

THE PRESIDENT. I think that's a good idea.

Q. Thank you, sir.

#### HUMPHREY-HAWKINS BILL

Q. Mr. President, I think you should know there are 13 members of the National Association of Black Journalists here, and we took a poll last night of what we consider the most critical issue of crisis proportions facing the black people, and almost unanimously it was unemployment. And I'm asking you, are you sufficiently satisfied with the new version of the Humphrey-Hawkins bill that you will put all of your weight behind it, make it a top priority?

THE PRESIDENT. Yes, I am.

#### BAKKE CASE

Q. Mr. President, the corporate world seems to be standing still, awaiting the outcome of the *Bakke* case and—as far as their affirmative actions are concerned. Are you doing anything at the White House to deal with a favorable decision in this particular case, in the *Bakke* case?

THE PRESIDENT. Well, as you know, we filed a brief that was prepared by the Solicitor General, Mr. McCree, which I think is compatible with what you would have wanted. This is the White House position, because I personally approved the brief. I am not a lawyer. And the Attorney General filed it on behalf of me and the entire administration.

This case is in the Supreme Court, and, of course, it's a separation of powers. I don't have anything to do with the Supreme Court except to file a position, and then they rule on the ultimate case as far as Mr. Bakke is concerned.

So, I would say that now that it's in the hands of the Supreme Court and we have filed our position, that there's nothing additionally that we would do until after the Supreme Court rules.

When Ms. Norton comes in a few minutes—I think she's coming after me, Eleanor Holmes Norton—I think she could tell you in more specific terms what the entire Federal Government agencies are doing to ensure that we have equal employment opportunities, which does not just apply, by the way, to Federal employees. It applies to equal treatment and fair treatment in the private sector as well.

Under our reorganization plan, we'll try to bring together those functions, concentrated much more greatly under Ms. Norton. In the past, they've been spread in Commerce and Labor and HEW and other agencies. And so we're trying to focus them more clearly so that we can address them more effectively.

#### OHIO ENERGY EMERGENCY

Q. Back in Ohio, there's great fear from the mass layoff that was talked about yesterday, and we were wondering if there was any hope—of the layoffs expected in the next 2 or 3 days, some of them have already started. So, we were wondering—this really affects the black community, and more for the babies, so we were wondering what, if anything, that we have to hope for, or whether or not there's anything that you can help in this area.

THE PRESIDENT. As you know, I've declared Ohio not only a disaster area, to give help in matters of transporting energy materials, coal and oil and natural gas, but we've offered the services of the Federal agencies to help with the maintenance of law and order.

We've tried to bring the negotiators back to the table. And in addition, Ohio

is one of the two States that I've declared an energy emergency area to let energy be burned more efficiently. I could answer your question better after I meet Governor Rhodes this afternoon. He will be here, and with the 11 other Governors, myself, Dr. Schlesinger, who heads up the Energy Department, and others, we'll share ideas on what we can do to minimize the damage that has already occurred and is rapidly building up among those who are employed.

I know that quite often when a plant has to lay off 10 percent of its workers or 15 percent of its workers, that the last ones hired are generally the ones laid off first, and quite often, because of the recent arrival of civil rights laws on the scene, the last ones hired are minority citizens and, in some instances, women.

But we'll be discussing this around the same table this afternoon with the 12 Governors and myself.

#### HUMAN RIGHTS IN THE UNITED STATES

Q. Mr. President, we know that you're very outspoken on human rights issues around the world. I'd like to know, really, what is your human rights policy for the United States—I'm thinking specifically of the Wilmington 10 case and seeing that that sort of thing is no longer allowed to continue.

THE PRESIDENT. Well, obviously we deplore any sort of violation of human rights or civil rights in this country. And I think that the basic structure of our courts, although sometimes it seems a tedious process and the delays are excessively long, justice tends to triumph ultimately.

Our Justice Department, with the Attorney General, the Deputy Attorney General, the Solicitor General, and others, has been very aggressive in trying to defend

those who are the victims of the violation of civil rights.

I understand—well, the Wilmington 10 case has been entirely within the North Carolina courts. They have now filed, I think, a habeas corpus petition, and this will get the case into the Federal courts. Again, though, although I don't have any apology to make, I think our Founding Fathers were correct—once the case gets in the court, other than the filing of brief papers that the judges can assess, I don't have any authority over the courts themselves. But we try to search out instances like the *Bakke* case, where we didn't have to intervene and filed a brief on behalf of the proper administration of civil rights.

As you know, the judge in North Carolina—I'm not familiar with the details of the case—has made a ruling, which many people think is not adequate, some think it went too far, that will let almost all the imprisoned people be eligible for parole this year. And in the meantime, though, the Federal courts are just now taking under advisement their habeas corpus petition.

#### MINORITY OWNERSHIP IN BROADCASTING

Q. Mr. President, secretary of National Association of Black-Owned Broadcasters, and I have several other members of the board sitting here with me from Savannah, all the way to New York City. We would like to thank you and your staff for your efforts in supporting minority ownership in broadcasting in the United States. However, we have a major problem confronting us in not having the enabling legislation to make the proper funds available so that we can procure these facilities and would like to know what your plans are so far as MESBIC [Minority Enterprise Small Business Investment Companies] and SBA loans are concerned.

THE PRESIDENT. Well, in the first place, our administration over this past year has been very concerned about the difficulty of black citizens and other minority groups in trying to acquire ownership of the electronic media. And on behalf of the minority citizens of our country, we have now filed a petition directly with the Federal Communications Commission, as you know, and I have sent a message to Congress—and Walt Wurfel or somebody can get you a copy of it—expressing to Congress the need to ensure that in the future black citizens and black citizens' groups can acquire ownership and control of the electronic media, both television and radio.

And now over a longer period of time, the Congress will evolve and pass legislation. In the meantime, though, we are moving as aggressively as possible with the FCC under a Justice Department petition filed on my behalf to expedite the process.

So, you really have a two-phase effort. One is the Federal Communications Commission taking action under its existing authority, and the other one is the message to Congress that will, in the long run, bring about legislation, perhaps.

MR. WURFEL. Thank you, sir.

Q. One more question.

THE PRESIDENT. Just this question and I really have got to be on time for the next meeting.

#### SELECTION OF FEDERAL JUDGES ; ETHIOPIA-SOMALIA CONFLICT

Q. Just two quick ones. One, I'm from Philadelphia; the Marston affair is still in the news. The question is, did you or Mr. Bell meet with Senator Eastland anytime after your election and agree to take the selection of Federal judges out of the patronage process, but leave the selection of U.S. attorneys in the patronage process?

And the second question is, what do you plan to do about the situation regarding Ethiopia and Somalia? Will there be any transfer of arms to Somalia directly or indirectly, perhaps from Iran?

THE PRESIDENT. I met with Senator Eastland at the Governor's mansion in Georgia after I was elected. And we discussed with him my desire to have Federal judges appointed on a merit system basis.

He pointed out to us what we already knew, and that is that historically, the United States Senators in States had been the ones to put forward names of judges to be appointed. We informed Senator Eastland that the circuit judges, the ones that come from several States, that we would set up immediately, when I became President, screening committees to make sure that they gave me the names of the five most qualified people before I made the selection.

We now have a screening commission set up in every one of the circuits in the Nation. Neither Senator Eastland nor I have the authority to remove, against their will, the historical right of Senators to participate in the district judgeships. But we have encouraged the Members of the Senate—I've written handwritten letters to every Democratic Senator—to do so, and I think now in 18 States, these merit selection commissions have already been set up.

There was never any discussion at all about U.S. attorneys.

And the other question is, we don't intend to send arms to either side. We've called on Somalia to withdraw from Ethiopian territory, out of the Ogaden area.

The Somali Government position, you know, is that these are not Somali troops, but they are independent groups who went in to protect citizens of Somali heritage who lived in Ethiopia.

And we've also let Ethiopia know that we would consider it a very serious breach of peace, endangering even worldwide peace, if they should cross the Somali border in their counterattack.

I have hopes that this will not be the case, and we hope also that the OAU, the Organization of African Unity, will play a more forceful role in bringing Ethiopia and Somalia together.

The Ethiopians said they will not negotiate until Somalia is off their territory and the Somalis are willing to negotiate on what to do about the Ogaden area. But we do not intend to send weapons to Somalia or Ethiopia.

Well, let me thank you. We covered a lot of points.

NOTE: The interview began at 1 p.m. in the Cabinet Room at the White House. Walter W. Wurfel is Deputy Press Secretary.

The transcript of the interview was released on February 17.

## United States Mint at Denver

*Nomination of Evelyn T. Davidson To Be Superintendent. February 17, 1978*

The President today announced that he will nominate Evelyn T. Davidson, of Denver, Colo., to be Superintendent of the U.S. Mint in Denver. She would replace Betty Higby, who has resigned.

Davidson was born May 16, 1921, in Hearne, Tex. From 1964 to 1967, she was chief clerk and administrative officer of the Colorado House of Representatives.

From 1967 to 1971, she was administrative assistant to Mark Hogan, Lieutenant Governor of Colorado. She was owner and operator of a legislative reporting service which analyzed legislation in the Colorado General Assembly from 1971 to 1974.

From 1974 to 1977, Davidson was chief clerk and administrative officer of the

Colorado House of Representatives. She is currently a staff assistant to Ruben Valdez, minority leader in the Colorado House of Representatives.

## Interstate Commission on the Potomac River Basin

*Appointment of Alvin R. Morris as a Member. February 17, 1978*

The President today announced the appointment of Alvin R. Morris, of Berwyn, Pa., as a member of the Interstate Commission on the Potomac River Basin. He replaces Daniel Snyder III, who has resigned.

Morris was born July 17, 1935. He received a B.A. from Lafayette College in 1957, and an M.S. in microbiology (1959) and Ph. D. in biology (1963) from Lehigh University.

Morris began work with the Federal Water Pollution Control Program in 1963 as a biologist, and then served as technical director of the Delaware Estuary Comprehensive Study and director of the planning branch of Edison Water Quality Management Laboratory. In 1970 he became Assistant Regional Administrator for Management for Region II of the Environmental Protection Agency, and in 1973 he became Deputy Regional Administrator of the Region III office of EPA in Philadelphia.

## National Health Resources Advisory Committee

*Appointment of Francis A. L'Esperance, Jr., as a Member. February 17, 1978*

The President today announced the appointment of Francis A. L'Esperance, Jr., of Englewood, N.J., as a member of the

National Health Resources Advisory Committee. He replaces John Venable, deceased.

L'Esperance, 45, is an associate professor of clinical ophthalmology at Columbia University College of Physicians and Surgeons and an associate attending ophthalmologist at Columbia-Presbyterian Medical Center. He is president of the Ophthalmic Research Foundation and a governor of the American College of Surgeons.

## National Brotherhood Week, February 19-25, 1978

*Message of the President.  
February 17, 1978*

I have said on many occasions that government cannot solve all of the critical problems we face. Our ability to surmount these challenges of modern life depends greatly on the selflessness, generosity and resilience of our spirit as a people.

In the earliest days of our history when there was little organized government, everything often depended on the willingness of individuals to help each other, to work together as brothers for the common good. The observance of National Brotherhood Week focuses on the value of such personal commitment. It gives us a chance to look with pride on a heritage that was profoundly strengthened and enriched by it, and it encourages us to revitalize and expand it in our family, community and national life today.

Be it the day-to-day plight of the poor, the elderly, the sick or the disadvantaged; be it an unexpected disaster or misfortune—there are endless opportunities for

us to show our kindness and goodwill toward those in need.

Inspired by the courage, compassion and unselfish perseverance of our forebears, let us join with the National Conference of Christians and Jews in making this Brotherhood Week the rallying point of a renewed commitment to accept freely and fully our individual responsibilities as members of a democratic society.

JIMMY CARTER

## Department of Agriculture

*Nomination of P. R. Smith To Be an Assistant Secretary. February 17, 1978*

The President today announced that he will nominate P. R. "Bobby" Smith, of Winder, Ga., to be an Assistant Secretary of Agriculture. His area of responsibility would be market and consumer affairs, and he would replace Robert Meyer, resigned.

Smith was born February 25, 1925, in Winder, Ga. He served in the U.S. Air Force during World War II.

From 1948 to 1977, Smith was self-employed as president and general manager of Smith Farms, Smith Seed & Gin Co., Smith Bonded Warehouse, and Piedmont Acid Delinting. He served as vice president of the Georgia Farm Bureau Federation, president of the Georgia Seedsmen Association, and president of the Southern Cotton Growers Association. He was also on the board of regents of the University Systems of Georgia.

Since 1977 Smith has been Special Assistant to the Secretary of Agriculture. He serves on the Agriculture Department's Agriculture and Energy Policy Group, on the Peanut Task Force, and as Chairman of the Tobacco Task Force.

## Vice President Mondale's Trip to the Pacific Area

*Statement by the President Announcing the Trip. February 17, 1978*

Since my schedule will not permit me to travel to the Pacific area during 1978, I have asked Vice President Mondale to serve as my personal representative on a trip to this region in mid-April.

The Vice President will visit New Zealand, Australia, Indonesia, Thailand, and the Philippines, in that order. His mission underscores the importance my administration attaches to this region of the world where we retain vital security interests and where we have very large and rapidly growing commercial ties.

The Vice President will discuss our security and economic relations with our ANZUS partners during his stops in Wellington and Canberra. His visits to Jakarta, Bangkok, and Manila will enable us to strengthen our links with the nations of ASEAN.

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *February 12*

The President returned to the White House after a weekend stay at Camp David, Md.

### *February 13*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- the Cabinet.

### *February 14*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Representative John Brademas of Indiana;
- Adm. Stansfield Turner, Director of Central Intelligence, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski;
- Secretary of Agriculture Bob Bergland and representatives of farm organizations;
- Secretary of Labor F. Ray Marshall, Secretary of Energy James R. Schlesinger, and other administration officials to discuss the coal strike.

The President attended a White House reception for members of the Finance Council of the Democratic National Committee.

The White House released manifests listing passengers who have flown on White House authorized military aircraft from July 1, 1977, to January 6, 1978. The lists were sent to Representative Jack Brooks, chairman of the Legislation and National Security Subcommittee of the House Committee on Government Operations, and were made available for inspection by the press.

### *February 15*

The President met at the White House with:

- Dr. Brzezinski;

*Administration of Jimmy Carter, 1978*

- Mr. Moore;
- Representative Jonathan B. Bingham of New York;
- Representative Dante B. Fascell of Florida;
- Secretary Marshall to discuss the coal strike;
- Mrs. Carter, for lunch;
- Representative Dan Rostenkowski of Illinois;
- Senator James B. Allen of Alabama;
- officials of the Department of Labor, the United Mine Workers, and the Bituminous Coal Operators' Association, who were recommending negotiations on the coal strike.

In a ceremony in the Oval Office, the President was awarded the Silver Buffalo, the highest award of the Boy Scouts of America for noteworthy service to youth. The President also received the Boy Scouts' 1978 Report to the Nation.

The White House announced that the President has extended an invitation to Prime Minister Menahem Begin of Israel to meet with him in Washington. It is anticipated that the Prime Minister will come at a mutually convenient time in the early part of March.

In a ceremony in the Oval Office, the President received diplomatic credentials from Ambassadors Jean-Daniel Mambouka of the Gabonese Republic, Iulai Toma of Western Samoa, Danudirdjo Ashari of Indonesia, and Konstantin Nickolov Grigorov of Bulgaria.

The President has amended his February 10 declaration of a major disaster for Massachusetts because of damage caused by coastal flooding, beginning about February 6, to include damage caused by high winds and tidal surge, beginning about February 6. In addition, this amendment also authorizes the provision of Federal assistance to individuals only, as authorized by Public Law 93-288, for damages resulting from snow and

ice, beginning about February 6, in the eight counties previously designated as eligible for Federal assistance by the Administrator of the Federal Disaster Assistance Administration under the President's February 10 major disaster declaration.

The President declared a major disaster for the State of California as a result of severe storms, high tides, wave action, high winds, mudslides, and flooding, beginning about February 5, which caused extensive public and private property damage.

*February 16*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Foreign Minister Moshe Dayan of Israel;
- James T. McIntyre, Jr., Acting Director of the Office of Management and Budget;
- a group of administration officials and 12 State Governors, to discuss steps that have been taken and can be taken to alleviate hardships resulting from a lack of settlement of the coal strike.

*February 17*

The President met at the White House with:

- Secretary of State Cyrus R. Vance, Dr. Brzezinski, and Mr. Jordan;
- Dr. Brzezinski;
- Samuel L. Evans, president of the American Foundation for Negro Affairs;
- Charles L. Schultze, Chairman of the Council of Economic Advisers.

The President has declared a major disaster for the State of Rhode Island as a result of snow and ice, beginning about February 6, for the purpose of implementing those programs of Federal agencies that provide assistance to individuals only,



as authorized by the Disaster Relief Act of 1974, Public Law 93-288.

The President has declared a major disaster for the State of New Hampshire as a result of high winds, tidal surge, and coastal flooding, beginning about February 6, for the purpose of providing assistance to State and local governments and individuals. The President also determined that the damage resulting from snow and ice, beginning about February 6, is sufficient to warrant implementation of those programs of Federal agencies that provide assistance to individuals only, as authorized by the Disaster Relief Act of 1974, Public Law 93-288.

The President declared a major disaster for the State of Maine as a result of high winds, tidal surge, and coastal flooding, beginning about February 7, for the purpose of providing assistance to State and local governments and individuals. The President also determined that the damage resulting from snow and ice, beginning about February 7, is sufficient to warrant implementation of those programs of Federal agencies that provide assistance to individuals only, as authorized by the Disaster Relief Act of 1974, Public Law 93-288.

The President left the White House for a trip to Rhode Island, Maine, and New Hampshire.

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#### **NOMINATIONS SUBMITTED TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

##### **Submitted February 13, 1978**

GLORIA CUSUMANO JIMENEZ, of North Carolina, to be Federal Insurance Administrator, Department of Housing and Urban Development (new position).

LESLIE LAZAR KANUK, of New Jersey, to be a Federal Maritime Commissioner for the term expiring June 30, 1981, vice Clarence Morse, term expired.

#### **NOMINATIONS—Continued**

##### **Submitted February 13—Continued**

The following-named persons to be members of the Board of Directors of the Overseas Private Investment Corporation for terms expiring December 17, 1979:

JAMES M. FRIEDMAN, of Ohio, vice Gustave M. Hauser, resigned.

RICHARD R. SWANN, of Florida, vice James A. Suffridge, term expired.

##### **Submitted February 15, 1978**

ELLEN B. BURNS, of Connecticut, to be United States District Judge for the District of Connecticut, vice M. Joseph Blumenfeld, retired.

##### **Submitted February 17, 1978**

ROGER KIRK, of the District of Columbia, a Foreign Service officer of Class one, to be the Deputy Representative of the United States of America to the International Atomic Energy Agency, with the rank of Ambassador.

EVELYN T. DAVIDSON, of Colorado, to be Superintendent of the Mint of the United States at Denver, vice Betty Higby, resigned.

ROBERT W. SWEET, of New York, to be United States District Judge for the Southern District of New York, vice Inzer B. Wyatt, retired.

JAMES V. SERIO, JR., of Louisiana, to be United States Marshal for the Eastern District of Louisiana for the term of 4 years, vice Ollie Lee Canion, resigned.

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#### **CHECKLIST OF WHITE HOUSE PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

##### **Released February 14, 1978**

Fact sheet: summary of Federal actions in response to the New England storm emergencies

News conference: on Federal actions in response to the New England storm emergencies—by Gregory S. Schneiders, Director, White House Projects

Announcement: nomination of Ellen B. Burns to be United States District Judge for the District of Connecticut

**CHECKLIST—Continued**

**Released February 16, 1978**

Announcement: nomination of James V. Serio, Jr., to be United States Marshal for the Eastern District of Louisiana

**Released February 17, 1978**

Announcement: nomination of Robert W. Sweet to be United States District Judge for the Southern District of New York

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved February 14, 1978**

H.J. Res. 386----- Public Law 95-229

A joint resolution to provide for the striking of a national medal to commemorate the bi-centennial of an outstanding historic event or personality during 1777.

**ACTS APPROVED—Continued**

**Approved February 15, 1978**

H.R. 2719----- Public Law 95-230

An act to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands.

H.R. 5798----- Public Law 95-231

An act to amend the Interstate Commerce Act to authorize appropriations for the Office of Rail Public Counsel for fiscal year 1978.

**Approved February 17, 1978**

S. 1509----- Public Law 95-232

An act to provide for the return to the United States of title to certain lands conveyed to certain Indian pueblos of New Mexico and for such land to be held in trust by the United States for such tribes.

**Editor's Note**

*Note Concerning the Closing Time of This Issue*

The President left the White House on Friday afternoon, February 17, for a trip to Rhode Island, Maine, and New Hampshire. Releases issued on the trip will be printed next week.

# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, February 24, 1978

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## THE PRESIDENT'S NEWS CONFERENCE OF FEBRUARY 17, 1978

*Held in Providence, Rhode Island*

### THE COAL STRIKE

THE PRESIDENT. It's nice to be here in New England, in Rhode Island, and I'm very proud to have a press conference here for the Nation.

I've just talked to the Secretary of Labor about progress on the settlement of the coal strike. They are making good progress. No final agreement has been reached.

I've been in coal mines in Pennsylvania and other places to see the miners at work. I know that they are hard-working and patriotic Americans. They and the industry leaders both recognize that there is a tremendous responsibility on their shoulders, because the future of the unions, the future of an effective collective bargaining process, the future of the coal industry, and the welfare of our Nation depends upon the success of these negotiations.

They've been bargaining now, steadily, since they began at the White House a day and a half ago. They continued in

their discussions until 2 o'clock this morning, and then after that, management with the Secretary of Labor from 2:30 until 5 in the morning. And I've asked them to stay at the bargaining table until a final agreement is reached.

I have confidence that they will be successful, because they and I want to avoid the necessity for me, as President, to take more serious action if the bargaining process is not effective. The whole Nation is looking to them with hope and with confidence.

### THE NATION'S ECONOMY

Before I answer your questions, I'd like to cover one other point that's very crucial to New England, and that is the Nation's economy. In many ways, our economy last year was good. The inflation rate went down, and wages, profits, production, housing starts, real income, investment all went up.

Four million new jobs were created, an alltime record, and many of these jobs, I'm glad to say, were in New England. Employment here in New England last year went up 5½ percent. The unemployment rate dropped 3 full percentage points, from 8½ percent down to 5½ percent. But unemployment and inflation is still higher than I'm willing to accept,

and so my top priority this year on the domestic scene is still the economy.

I've asked the Congress to help me put into effect a coherent program to make more jobs and to bring inflation closer under control. We need a cooperative anti-inflation effort, with voluntary action being taken by industry and by labor to keep wages and prices from pushing each other up.

We need an expanded jobs program to help those who are hit hardest by unemployment. Next week I will send to the Congress legislation that would reauthorize the \$12 billion Comprehensive Employment and Training Act, provide for 725,000 public service jobs and for a billion dollar youth employment and training program.

Also, we need tax reduction and tax reform. They go together. They add up to \$25 billion in net cuts in the income taxes Americans have to pay, and they are also designed to create an additional 1 million new jobs. Seventeen billion dollars of this tax cut will be for working families in our country, personal income tax reductions, and the rest in corporate tax reductions.

Corporations will also receive higher tax credits for investing in the sort of new plants, new equipment that will make New England and the rest of the Nation competitive with aggressive foreign exports.

But we can't have these cuts in taxes unless we help pay for them by eliminating some of our unnecessary and unwarranted income tax subsidies. Two of these are the deferral subsidy and the DISC subsidies. Both have a particularly bad effect in New England, where competition from abroad has had such a terrible effect on businessmen and on workers alike.

The deferral subsidy sets a situation in effect where multilateral corporations pay lower taxes on foreign profits than

they pay on their U.S. profits. This amounts to subsidizing corporations to export jobs overseas. The so-called DISC subsidies are just as bad. They let U.S. corporations set up dummy corporations to handle foreign exports, so as to keep from paying U.S. taxes on half their profits. Both these giveaways go overwhelmingly to a few of the largest multinational corporations, and both mean that the average taxpayer has to pay the bill, more taxes, just to take up the slack caused by these subsidies. And both cost America, and particularly New England, jobs. Both loopholes should be closed.

As for the famous three-martini lunch, I don't care how many martinis anyone has with lunch, but I am concerned about who picks up the check. I don't think a relatively small minority has some sort of divine right to have expensive meals, free theater tickets, country club dues, sporting events tickets paid for by heavier taxes on everybody else.

If the Congress will help me by getting rid of these tax loopholes and by enacting the entire economic program, we can have a good start on correcting unemployment and inflation.

The economy won't turn around overnight, of course, any more than an ocean liner can turn around on a dime. The job will require slow, careful planning, not dramatic master strokes. It will require small corrections, of course, that we adhere to very patiently. It will require careful planning, careful adjustment, careful tuning and cooperation.

The machinery of the American economy is sound. We have a lot to be thankful for. It's worked well despite severe shocks, but it can work better, and that's our major goal in this country this year.

And now, I'd be glad to answer your questions.

Ms. Thomas [Helen Thomas, United Press International].

QUESTIONS

MIDDLE EAST ARMS SALES

**Q.** Do you think that Congress will go along with your decision to send sophisticated fighter jets to the Middle East? And can you give us your rationale for including, for the first time in these sales, Egypt and Saudi Arabia along with Israel?

**THE PRESIDENT.** Yes. I think Congress will go along with the proposal to sell a limited number of airplanes in the Middle East. F-15 planes are already being delivered to Israel, and in the new proposal Israel will receive additional F-15's and F-16's, very advanced fighter planes.

We have for a long time sold military equipment to Saudi Arabia, one of our closest allies, staunchest friends, and economic partners. This is the first time we've sold F-15's to Saudi Arabia, but they have other advanced equipment.

The first planes will be delivered to Saudi Arabia not this year or next year, but in 1981 or 1982. The planes that we have agreed to sell to Egypt are the F-5E's, not nearly so advanced a weapon as the F-15's or F-16's. But as you know, a few years ago, Egypt, which is now one of our staunchest friends and allies, severed their close relationship with the Soviet Union and, in effect, became an ally of ours. And I don't believe that there's any danger of this relatively short-range, not advanced fighter causing any disruption in the peace between Egypt and Israel.

So for those reasons, I am advocating to the Congress that they approve these sales, and I believe the Congress will agree.

THE COAL STRIKE

**Q.** Mr. President, without asking you to announce a deadline for a coal settlement, can you give us any clue as to the extent of your patience with the situation?

**THE PRESIDENT.** Well, the country is suffering already from the consequences of the coal strike. I have asked the Secretary of Labor and I've asked the negotiators from the workers and from the coal operators to stay at the bargaining table in constant sessions until they reach an agreement. There has been some progress made to date.

As you know, there is a division within the labor union itself. But the bargaining council, which consists of 39 members, is being kept as close as possible to the negotiating team that represents labor. We hope that when an agreement is reached that this will be in such a form and with close enough consultations ahead of time that it will be presented immediately to the membership of the United Mine Workers for approval.

So, I think that all of us are determined. I've met personally at the White House with labor and management in the coal industry, and I can testify to you that they are sincere in wanting to reach an agreement.

**Q.** Would you be willing to see it go on for another week?

**THE PRESIDENT.** No. I don't think we could afford another week of negotiations. I would hope that they could conclude their negotiations within the next few hours or a day or so.

DISASTER ASSISTANCE FOR NEW  
ENGLAND

**Q.** Mr. President, Dan Rea, WBZ-TV, channel 4, in Boston, Westinghouse Broadcasting. Last week, as I'm sure you very well know, New England was hit with a very bad blizzard, and hundreds of thousands of hourly production workers in Massachusetts lost wages, wages that will be made up in some part by the State unemployment compensation fund. But the difference between the unemploy-

ment compensation fund and their total salaries in some families is up to \$100 or \$125. Is the Federal Government prepared to do anything for these workers?

THE PRESIDENT. Well, as you know, your own State and others in New England that were so heavily damaged by the snowstorm and also by the actions of the seas and wind have been declared major disaster areas. This involves several elements of aid. One was an immediate dispatching here of Sea Bees and members of the other military forces to actually help in the clearing of the highways and the restoration of normal life in your economy.

I have also authorized personal loans for those who have damage to their homes, those who have serious economic problems, and we've worked very closely in harmony with the State and local officials on this element as well.

These loans are at very low interest. Sometimes the interest payments are almost nonexistent. We hope that there can be some additional economic aid, if necessary, granted within the bounds of the law. But I don't know of any specific feature that would permit us to compensate workers for lost wages.

(The President's disaster declaration for Massachusetts, as well as for Rhode Island, does provide for the full legal amount of Federal unemployment compensation benefits to workers unemployed by the disaster.)<sup>1</sup>

I think most of the industry here that employs people has now been restored to full employment—almost to full employment—but with that one exception, I think we are providing the maximum amount of aid that can be under the U.S. law.

Q. Ed McHugh, Worcester Telegram. Considering how deeply some of the New

England States are already in hock to the Federal Government, do you consider it proper for some of them to convert their unemployment insurance programs into disaster relief funds for people who lost wages during the storm?

THE PRESIDENT. I don't know enough about the answer to give you a response. I think in every instance of this kind, the primary responsibility has got to be for the Governor or local officials in the State to make a judgment on what's best for that particular area. And if a Governor or a legislature or a mayor has made that decision, I would not want to contradict it. Whether the unemployment compensation payment is more crucial—at that one moment during or immediately following a disaster—or whether it's more important to correct the consequences directly if there's a disaster in physical terms, I would not want to judge. That's a decision the Governor will have to make.

#### NUCLEAR POWERPLANT CONSTRUCTION

Q. Steve Bascade, WJAR-TV in Providence. The Federal appeals judge, Mr. President, has asked the Environmental Protection Agency to reconsider the approval of a cooling system for the nuclear plant in Seabrook, New Hampshire, part of his reasoning based on the fact that opponents of the plant didn't have access to all the relevant information.

My question: How much say should people have over construction of a plant, and should they specifically have veto power in a referendum to oppose a nuclear plant if they so wish?

THE PRESIDENT. Well, as you know, there are now no legal prohibitions at the Federal Government level from proceeding with the Seabrook plant. The Nuclear Regulatory Commission has not yet given a license. But the Environmental Protec-

<sup>1</sup> Printed in the transcript.

tion Agency has ruled that the cooling system, as proposed, was adequate.

I do think that a State, or the people within a State, should have the right to determine the degree of shifting to nuclear power as a source for energy. As you know, some States have had referenda on this subject. This is a prerogative that the State legislature and the Governor and, in some instances, through referenda, can be accomplished.

But the Federal Government does not have and would not want to have the right to prohibit the construction of a nuclear powerplant in a State if the Federal laws were met. But I do think that in New Hampshire or Vermont or other States, that the legislature certainly should have a right to set the standards by which those plants should be built.

Q. What about the voters themselves in a referendum—not the legislature, the individual?

THE PRESIDENT. Well, that depends upon whether or not there's a provision for a referendum to override a State law. As you know, in California, for instance, there is an initiative by which citizens can pass a law absent the legislature taking a stand.

But I think that—I know New Hampshire fairly well, having visited there several times during 1976, and I know how close your members of the legislature are to the people. I think there are just a very few people per member of the House. And I think that your legislators are adequately responsive.

U.S. ATTORNEY LINCOLN ALMOND

Q. Mr. President, Jim Roberts, WEAN News in Providence. We have a U.S. attorney here, Lincoln Almond, who's a Republican. You have not yet fired him, but Tom Murray of Newport has been recommended to take his place.

During your campaign, you promised to take the politics out of the selection process for U.S. attorneys. Can you tell me first of all if you intend to replace Mr. Almond and, if so, why?

THE PRESIDENT. I don't know. This matter has not come to my attention yet. Ordinarily, I wait until the Attorney General gives me a recommendation about a replacement before I get involved in the process.

The number of Republican U.S. attorneys still in office now, I think, are about 25 out of 90-something. I think during the last 8 years, before I came in office, there was never a Democrat appointed to a U.S. attorneyship. But we've tried to keep in office those who were doing a good job, and when we have made a replacement, I believe in every instance that the selection has been made on the basis of merit.

Whether or not that particular person is going to be replaced, I do not know.

#### MIDDLE EAST ARMS SALES

Q. Mr. President, given the tension that already existed over the Israeli settlement policy, do you have any second thoughts about the timing of your announcement to sell warplanes to Egypt, or was the timing of that announcement and our public statements about the Israeli settlement policy a message to the Israelis to become more flexible in the current negotiations?

THE PRESIDENT. The two were not interrelated in my decisionmaking process. When I was in Saudi Arabia early in January, I told them that shortly after the Congress reconvened I would send up a recommendation for military sales to the Middle East.

Every time I've ever met with Prime Minister Begin, both in the public sessions, that is, with staff members, and also in my private sessions with just him and me pres-

ent, this has been the first item that he's brought up: "Please expedite the approval of the sales of military planes to Israel."

I think that the timing is proper. We're not trying to shortcircuit the allotted time for the Congress. As a matter of fact, we will not begin the process until after the Congress reconvenes, the Senate reconvenes. So there will be a full 50 days for the Congress to consider the matter. Twenty days after this coming Monday, I'll send up the official papers.

So, I don't think it's a bad time to send it up. I recognized ahead of time that there would be some controversy about it. And we did give it second and third thoughts before I made a decision about the composition of the package and the date for submitting it.

Mr. Bradley [Ed Bradley] with CBS.

#### THE COAL STRIKE

Q. Mr. President, back on the subject of the coal talks, does that 2-day deadline that Secretary Marshall talked about yesterday—is that still in effect? And if at the end of that period they have not reached agreement, you can invoke the Taft-Hartley Act, but the miners have said they will not mine the coal and the Army can't. If you do invoke those provisions and they refuse to mine coal, what can you do, sir?

THE PRESIDENT. Well, that's all spelled out in the law. The miners, the coal operators, the Secretary of Labor, I, the Attorney General, the Governors all would like, if possible, to avoid an invocation of the Taft-Hartley law and to let the coal dispute, through collective bargaining, lead to a new and acceptable contract. So there's no rigid time limit.

If it's obvious to me that progress is being made, then my preference would be to keep the bargaining process going.

In the last 24 hours I have detected progress, and we have not yet been able to get a final settlement. Even after a settlement is reached at the Labor Department, even after the bargaining council, who represents the coal miners, approve the terms that have been derived with the negotiating team, it would still have to be submitted to the union members back home for their approval. So that would take 2, 3 weeks. And I think it would probably take an additional week or so before coal could start flowing to its destination after it has been mined.

So we still face a substantial delay. And I recognize that it's one of the most serious problems that I've faced as President. And I believe that the negotiators do, too. But I'm not trying and don't want to predict exactly what will happen in the future. And I don't want to set a rigid time limit on anyone. But I have had the urgency of this question imparted by me personally and constantly by the Secretary of Labor during the negotiating times.

#### HUMPHREY-HAWKINS BILL

Q. Mr. President, Robert Goldman, University of Rhode Island. You're an advocate of the Humphrey-Hawkins bill. Will the bill help with providing job opportunities for college graduates?

THE PRESIDENT. Yes, I think the Humphrey-Hawkins bill, if passed—and I think it has a good chance to be passed—would provide enhanced job opportunities for college graduates as well as others. It would set a goal of a 4-percent unemployment rate, and it would permit me to judge when this was in conflict with a control of inflation.

It would also bring into being a much closer coordination of effort between the President, the Federal Reserve Banks, the Congress, and others in the Government and in private industry to work together.



It would require me to submit to the Congress an economic plan over several years, 4 or 5 years, that would ultimately lead to the realization of those goals. So, I think the planning concept, the involvement of all the elements who determine the outcome of our economic goals, would be a step in the right direction itself, and it would put a heavy emphasis on the reduction of unemployment.

#### INDIAN LAND CLAIMS

Q. Mr. President, John Day of Bangor News. Mr. President, last October you were quoted as saying that Judge Gunter's recommendations for settling the Maine Indian suit were fair and equitable.

THE PRESIDENT. Yes.

Q. The new proposals which your task force has recently recommended have been severely criticized. What leads you to believe that the new recommendations are more fair and equitable than the old ones submitted by Judge Gunter, the difference being that the new recommendations call for substantial contributions from the private landowners of the State as opposed to no contributions under Judge Gunter's proposal?

THE PRESIDENT. Well, as you know, Judge Gunter's proposal concerning the Maine land issue involving the Indians was not accepted by the Indians. And when it was rejected by the State, the landowners, and the Indians, then I appointed a task force headed up by Bo Cutler (Eliot Cutler), who happens, coincidentally, to be from Bangor, Maine, to try to work out an agreement.

We have now reached an agreement as far as the Federal Government is concerned, represented by me, and the Indian tribes. It would not require any further negotiation nor litigation by any landowner in Maine who owns less than 50,000 acres of land.

It does leave up to the State of Maine and, I think, 14 landowners who have more than 50,000 acres, an option without any constraint on them—they can either accept the negotiated settlement, they can negotiate further for a better settlement for themselves, perhaps, or they can continue to litigate in court.

The reason that I got involved in it, reluctantly, I might say, was because almost every piece of property in Maine was potentially tied up in a lawsuit, could not be bought or sold, and I could foresee a very serious economic consequence to Maine unless I made some effort to address it.

This settlement would cost the Federal Government about \$25 million. But I would like to point out, too, that we are bound by law—that is, the Department of Interior, represented legally by the Attorney General—to represent the Indians.

And this is a recent development, brought about, as you know, by the discovery of some old treaty papers, I think in 1971, and we've tried to expedite the process. But there is no constraint on the large landowners nor the State to accept the settlement that we have evolved. That's up to them.

#### THE COAL STRIKE

Q. Mr. President, as you know, the coal strike has passed all records in length.

THE PRESIDENT. Yes.

Q. Do you feel that the negotiators have really reached a point of being irresponsible in not reaching a settlement?

THE PRESIDENT. No, I don't ascribe irresponsibility to the negotiators.

When the negotiations broke down, when the bargaining council refused to accept for presentation to the miners the first agreement, that's the point at which I decided to intercede.

<sup>2</sup> Printed in the transcript.

I invited both sides to come to the White House, which they did, and the union expanded their negotiating team from six members to nine members to try to bring in some of those who did not agree with the first settlement, to more closely assure that when another settlement was reached the miners would accept it. Now we are keeping the bargaining council in an adjacent room to the negotiators themselves, and there's a constant interrelationship of communications with them.

But I believe that all of the negotiators and the bargaining council, on behalf of the union, are negotiating in good faith.

#### THE NATION'S ECONOMY

Q. Mr. President, Joshua Resnek, the Chelsea Record, Chelsea, Massachusetts. Earlier you said that the machinery of our economy is sound despite shocks. However, shortly before the American Revolution, the great economist Adam Smith wrote about governments like our own which incessantly spend far more than they raise in taxes and which, as a result of such practices, are doomed to inevitable bankruptcy.

First, I'd like to ask you if you agree with economic reasoning like Mr. Smith's. And second, will your administration continue to spend moneys it is clearly incapable of raising?

THE PRESIDENT. Well, my goal, as you know, is to balance the budget. This year we are faced with a deficit that's about \$15 or \$20 billion higher than it would have been because we're trying to give a tax break, tax reduction, to the American people. In every instance, you have to make a judgment on that.

One of the reasons that we are giving the tax reduction is because the taxes are too high; another one is that it would re-

sult in a stimulated economy, a million more people at work and paying taxes rather than on the Federal dole. And so you have to make a judgment.

We have expectations, with some fairly accurate projections, that the budget deficit next year, fiscal year 1980, will be considerably below 1979. And if the economy continues to progress, then I have good hopes that in 1981 we will reach my goal. Obviously, I don't have complete control over the economy. But I've not given up in trying to carry out the principles that Adam Smith espoused in your quote.

#### MIDDLE EAST ARMS SALES

Q. Mr. President, on the Middle East, arms to the Middle East, I want to ask a kind of a philosophic question. How do you rationalize the idea of selling weapons, more sophisticated weapons of war, with the argument that they would help to bring about peace?

And does it bother you that these more and more sophisticated weapons are being sold to both sides and that if a new war were to break out, it would be a more violent confrontation than any in the past?

THE PRESIDENT. Well, as you know, we are not introducing new weapons into the Middle East. F-15's are already being delivered into the Middle East. Also, I have pledged myself to cut down on the volume of weapons each succeeding year as long as I'm in office, barring some unpredictable, worldwide military outbreak. This year there will be less weapons sales than last year, and this will include, of course, the Middle East.

I think it's very good for nations to turn to us for their security needs, instead of having to turn to the Soviet Union as they have in the past. I'm talking specifically about Egypt. And you have to remember

that Saudi Arabia has never had any active aggression against Israel. Saudi Arabia is our ally and friend. Egypt is our ally and friend. Israel is our ally and friend.

To maintain security in that region is important. Egypt has other threats against its security. The Soviets are shipping massive quantities of weapons into the Middle Eastern area now, into the Red Sea area—Ethiopia, into Syria, Iraq, Libya—and we cannot abandon our own friends. So, I don't think that it's wrong at all to ensure stability or the right to defend themselves in a region with arms sales.

We are continuing multinational negotiations with other sellers of weapons to get them to join with us in a constant step-by-step, year-by-year reduction in total arms sales. If they do, I think the world will be much more peaceful in the future.

FRANK CORMIER [Associated Press]. Thank you, Mr. President.

THE PRESIDENT. Thank you.

NOTE: President Carter's twenty-fifth news conference began at 3:30 p.m. in the Ballroom at the Cranston Hilton Hotel. It was broadcast live on radio and television.

## Providence, Rhode Island

*Remarks at a Reception for Senator Claiborne Pell. February 17, 1978*

Senator Pell and Governor Joe Garrahy, distinguished members of the State house, senate—I don't know if the Congressmen are here or not. Oh, good, there they are. [Laughter] Congressman Beard and Congressman St Germain, all the wonderful people from the State of Rhode Island and Providence Plantations, I'm glad to be here.

Looking at your fine Governor, your

Members of the Congress, your U.S. Senator, and the results of the general election in 1976, I can tell that you have excellent political judgment. I had a slight doubt there for a few days at the time of the Democratic primary, but it was soon alleviated completely. [Laughter]

I am very proud to be here, to visit with my friends, to let you know of my deep interest as President of the United States in you and in your State, to express my admiration for what you have done during the last few days in setting an example for the Nation of courage and tenacity and of cooperation and good will under very adverse circumstances. I think you've demonstrated what's made our country great, and I'm very proud of you.

You may not have thought about it before, but this is an election year. [Laughter] And I would like to say a few words this afternoon about a special friend of mine, Senator Claiborne Pell. He's a close friend and a partner of mine, but he has, as you well know, a mind of his own. He knows your State and he cares about you. He has had a remarkable record even before he went to the United States Senate. And since then his experience has given him a profound knowledge of our Nation, both in domestic affairs and also in foreign affairs. He had perhaps more experience in the diplomatic service than almost any Member who's ever served in the Senate. And as a member of the Foreign Relations Committee, he's grown day by day.

He's a good adviser for the Secretary of State. He's a good counselor for other members of the Foreign Relations Committee. And he's a good adviser for the President as well.

I think you all know that he's the head of the Subcommittee on Arms Control. And this year, we hope and we pray that we will have a successful conclusion to the

SALT negotiations with the Soviet Union. This is good for our Nation's security. It's good for the attitude of the whole world. And it's good to ensure the deepest hope of all humankind that we can have international peace. It's also incumbent on us to have strong men like Claiborne Pell who believe in a strong defense. And in the negotiations with the Soviet Union, which are going on every day, on a comprehensive test ban, and on limiting and then reducing and hopefully, God willing, in the future completely eliminating atomic weapons from the face of the Earth, he occupies a crucial position.

And it makes me feel much more sure of myself to know that he is one of the key Members of the Congress with whom I have been and will be consulting in those crucial times.

As a Coast Guard officer, he knows the seas, and I feel a special kinship with him there, because for 11 years, I was in the U.S. Navy. And this is a time, I think, that he additionally serves in exploring how best to utilize and to protect the riches of the sea. We're engaged in tough negotiations in how to harvest the minerals and the fishes of the sea. And we also have difficult decisions to be made with a rapidly growing technological world on how to preserve the purity of the oceans and their openness to the use by all nations. And he has that special responsibility in the Foreign Relations Committee.

He specializes in Europe, among all the nations of the Earth. And as you have noticed, I'm sure, in analyzing the priorities that we've placed in our budget proposals, we're trying to strengthen our ties with the historic friends and relatives, blood relatives, where our ancestors lived in the nations of Europe.

NATO is one of our most important alliances. We're not granting favors to

other people when we strengthen the North Atlantic Treaty Organization. We're defending our own country. And it would be a devastating blow to have any hope engendered in the minds of potential enemies of our friends in Europe because of a lack of strength on our part.

And so we're trying to increase the spirit and the hopefulness and the confidence and the cooperation that exist among us. And there is his special focused responsibility.

There are a lot of things that I could talk about in foreign affairs, but I know you are interested as well in domestic matters. Claiborne Pell has been an innovator. I was at one of the first examples of a health maintenance organization today. And I saw people going to get medical care, not after they became sick, but to prevent sickness—tiny children and grown people, as well, who form kind of a family with medical personnel at a very low cost to get good health care.

Our Nation now spends more of its gross national product, we spend more per person on health care by far than any other Nation. And we still don't have good health in our country. We rank 18th among nations in life expectancy, and 14th or 15th or 16th in other measures of good health care, like infant mortality and the incidence of severe diseases.

And we have to explore new ways to provide better health care. And Claiborne Pell was the author of the legislation that set up this new approach to good health care. I think we've caused too serious an economic problem among the middle-income families of this Nation. And because of his innovation and hard work, we are now proposing a drastic improvement in college loans, college grants, and work-study programs for students, to help the middle-income families of the country.

And the whole Nation can thank Claiborne Pell.

I don't want to brag on him too much, but I would like to say just one more thing.

I became President probably because of the election or campaign reforms that were initiated by Claiborne Pell, to try to prevent in the Presidential elections the outcome of the contest being determined by who had the richest friends. And with a limit on contributions and the broadening of support among millions of people and not just a few thousand people, the democratic process was enhanced. And I think this is very good. And I thank him personally for helping make me the President of the United States.

Well, he's a gentle man and a kind of a quiet man. But he's experienced and he's strong and he has courage and he has a lot of foresight. And it's just a pleasure to work harmoniously with people like Claiborne Pell.

I think that you all know that this election year is going to be very difficult. The Democratic Party and what it stands for is what I believe in. It epitomizes what our country is, and it shows us in the future what our country can be. And I know that Congressman St Germain, Congressman Beard, and others will be out this year seeking reelection, and as a Democrat, I hope that you will help us all even to strengthen the principles of our party as they are exhibited both here in Rhode Island and also in Washington.

I want to again thank Ed Garrahy for his tremendous demonstration—Joe Garrahy for this tremendous demonstration of leadership in this State.

I think I will come out to the crowd. Thank you again, everybody.

NOTE: The President spoke at 4:15 p.m. at the Cranston Hilton Hotel.

## Bangor, Maine

*Remarks at a Reception Following a Fundraising Dinner for Senator William D. Hathaway. February 17, 1978*

It's a great pleasure to be here with all of you who formed close friendships with members of my family. One man came through the line and said he had been with my wife when she campaigned in the northern part of Maine in Aroostook County, along the Saint John River, and said that he had had my Aunt Cissy to spend the night in his home with him and his wife, and had a chance to pray with my sister Ruth, and he was looking forward to drinking a beer with Billy. [Laughter] But I was really the bottom one on his list. [Laughter] He was also glad to shake hands with the President.

I'm glad to come back to the State that's got the most interesting Democratic Presidential primary law in the world. It kept Maine in the forefront of my mind for at least a month—[laughter]—while two delegates came forward, you know, every 2 or 3 days. Also, I've noticed that the Indian treaty question is not as unpopular with country club members as I had thought it was. [Laughter] At least you haven't changed the name of the country club. [Laughter]

This is a State where difficult issues are addressed with courage and conviction. I'm going to talk primarily about a close friend of mine who introduced me. But I would like to say this about two former Governors of yours—perhaps one of the closest friends I have in the world, a man who epitomizes what I think a public servant should be and one who's done a tremendous job for the Democratic National Committee the last year, Ken Curtis. For a few months I spent almost as many nights with him and Polly and

Angel as I did with Rosalynn and Amy. Ken, I thank you for what you've done for all of us.

And I think one of the great statesmen of our Nation, a man who with his sincere, quiet logic, cooled the almost frantic searching for truth in our country during the years of the previous administration, a man who has transformed the Democratic Party in Maine because of his integrity and competence, and a man who's now completely recovered, ready to go to work with me back in Washington, Ed Muskie. Ed, thank you very much for being here.

Senator Hathaway announced earlier today that I had approved the emergency declaration for Maine. And I want to express my thanks as President to him as Senator for making this announcement for me—[laughter]—earlier today.

I think in the coastal region where you have been so severely hurt, I think again it's a tribute to the strength of the Maine people that you've come through so well. You've been able to bear this kind of physical hardship, and I'm sure it's brought your people closer together.

I would like to say a few words about Bill Hathaway. If there ever was a tenacious and aggressive fighter for his own State, it's Senator Bill Hathaway. He is willing to address difficult questions. He always keeps in the forefront of his mind what's best for his people back home. And at the same time, he occupies a remarkably important series of positions in the U.S. Senate. As a member of the Finance Committee and the Subcommittee on Energy, he deals with one of the most crucial questions of our country. And I know that everyone who lives in New England, particularly Maine, recognizes that the consumers' interest and our Nation's interest must be protected.

At the same time, the second most important issue that we face this year, domestically speaking, is our economic problems. And he's the leader of the subcommittee responsible for economic problems, for employment, for tax reform. And it's remarkable how, with his own capability and quiet attention to detail and legislation in the Senate, he's acquired those responsibilities so early.

He's responsible for revenue sharing, and as you know, this again has been a very, very important panacea for us to strengthen the ties between the Federal Government and the State governments. He's also a man of compassion, which I think is important because that's an element of leadership that never changes. Other issues come and go, but a close, sensitive attention to those who suffer in our society is the mark of a great leader and a great statesman. He's been particularly interested in trying to alleviate the problems that result from drug addiction and from alcoholism. And he's been particularly concerned about the treatment for those millions of Americans who suffer. He's also extended this one generation in the future, because he's made a special study of the adverse effect on infant children of alcoholism in their mother during the time of pregnancy.

He's interested in our national security. He's been especially singled out for honor by serving on the Senate committee on intelligence and I don't think there's any more sensitive area in the whole Federal Government than the special committee on the intelligence community in the U.S. Senate. That's a small group of carefully chosen leaders who are extremely trustworthy, because in their hands and in their minds are placed the utmost sensitive secrets about our interrelationship with foreign governments. And they are also trusted, along with the President, the CIA, and the Defense De-

partment, in protecting our country against subversion. And there has to be a careful balancing there between strength in protecting our country and the protection of the basic rights of American people. We've seen during the Nixon years that this can be abused.

Bill Hathaway happens to be the chairman of the subcommittee that looks into the financing, the budget of the Intelligence Community. And he did the first complete audit of how funds are spent and whether they were legal. And his work and those of others on that committee have been responsible already for the preparation of an Executive order that I issued recently, in close cooperation with the Senators involved, that I think brings order out of the chaos that previously existed in the management of this sensitive area of our country.

And now legislation is being prepared for the first time to spell out the authority, responsibility, and the limitations in the collection, dissemination of intelligence, and the protection of our country against counterintelligence.

Just in one day in my life as President, I had encounters with Bill Hathaway. In the morning, I met with the intelligence committee to talk about these things that I've just described to you. And later on that day I signed the small business assistance legislation for 2 years to help small business people. That was authored by, you guessed it, Bill Hathaway.

It's a very fine record and one that quite often is not adequately recognized around the Nation, because Hathaway is a Senator who doesn't protect his own achievements by personally bragging about them. He doesn't call press conferences to say, "Look what I did," or "Look at the error I found," or "Look at the advantage that I've now achieved for the people back in Maine or the United States." He's almost too reticent. But his

peers in the U.S. Senate and his executive partner in the White House recognize the stature and the competence of this man.

He's had a special responsibility also in career education, which is important to me as a person who's had to work all my life. And I come from a part of the country that's very poor; many parts of Maine are very poor.

Those who grow crops under the ground have something in common. We don't make much money. [*Laughter*] And a lot of our children don't have a chance to get an advanced education and career education. And the matching of the graduates of our vocational schools, high schools, technical schools, with the job opportunities has been the special province in the United States Senate of Senator Bill Hathaway. And he's the author of that legislation that I signed into law this past December.

I won't mention many other things, but I would like to say that he is a coauthor of the Older Americans Act, and a lot of people don't know it.

I've been all over the country during the campaign to meet with, and I've eaten many lunches with older people in a renovated old building, and I've also been into homes when the meals on wheels were served.

I'll bet you not more than a thousand people in the whole country know that Bill Hathaway was the coauthor of the legislation that treats older people with dignity and respect and compassion.

And the last thing I'd like to say in just a brief few minutes is he knows his own State. He has a special interest in textile workers. Georgia has 60,000 textile workers. And Bill understands them and fights for them. He understands and knows the potato farmers. He protects them and he fights for them. He understands the capabilities of the shipbuilding opportunities

at Bath, Maine. And I've just put into the 1979 budget authorization for eight more patrol frigates. And I think there's an excellent chance with Bill Hathaway and Ed Muskie working on it that Bath will get their share of those contracts. [*Laughter*] He understands the special problem of fishermen, and he fights for them.

And I think you all know that Maine in the past has really suffered because of your heavy dependence on imported oil. Your fuel bills for the same amount of heat are about 45 percent higher than many other parts of the Nation. Some of your industries have been here a long time, and the foreign competition is very severe.

And he understands people who work in places like Maine shoe factories. And he not only understands them but he fights for them.

If I were a resident of Maine, I would consider it not only a source of pride but also a source of assurance about the future and gratitude if Bill Hathaway was my Senator.

I was trying to think of something bad to say about him, but—[*laughter*—] I can't think of anything at this time. And maybe I should have talked to Ed Muskie ahead of time. But everything that I've said is absolutely true. And I have a special sense of responsibility as a Democratic President, the titular head of the Democratic Party, to assess the principles of our Nation and our party and to speak up when I deeply believe in someone.

And I especially feel this responsibility when that person quite often is not a show-horse but one who quietly and meticulously and competently and courageously goes about his work and doesn't ask for accolades or appreciation, but gets his gratification out of knowing that he does a job well. And I can't think of anyone who most accurately fits that description

than Bill Hathaway, who's a personal friend of mine.

And I come here to let you know that I hope that you'll leave this rally for him, the fundraising banquet for him, with a determination not to be satisfied with what you've already done. I know that many of you are personal friends of Bill Hathaway's. You've made substantial contributions, and that's not enough.

He's going to have a tough campaign on his hands this year. And it's going to require that each one of you become kind of a focal point or an organizer to recruit other people, to contribute heavily financially, and also to arouse the spirit and the enthusiasm and the commitment of others who feel like you do, that Maine needs Bill Hathaway. And I think the United States needs him, too. So let's work together to get him elected.

NOTE: The President spoke at 7:11 p.m. at the Penobscot Valley Country Club.

## Bangor, Maine

*Remarks and a Question-and-Answer Session at a Town Meeting. February 17, 1978*

THE PRESIDENT. This reminds me of 1976, in the latter part of the campaign, not the first part, because when I came to Maine for the first time, no one knew who I was or cared. [*Laughter*] I made a speech to the Democratic State Convention, and I remember that I was the 23d person on the program, and I started speaking about 10:20. And then when I began to run for President and came back, some of you were very hospitable to me and took me in and made me feel at home. Later my wife came, my three sons, their wives, my Aunt Cissy, my sister Ruth, my mother, and maybe later Billy will come as well. [*Laughter*]



We've had town meetings now, since I've been President, in Massachusetts and in Mississippi. We'll have an hour and a half. I'd like to make a brief opening statement on a subject that is important to you and then I'll answer questions. I'll take the last question about 20 minutes after 9.

### ENERGY

Last year, New England suffered the worst winter ever recorded, and this winter may be just as harsh. Certainly, the blizzard of 1978, just 10 days ago, will go down in history along with the terrible blizzard of 1888.

You are expert in an average year in contending with freezing weather and winds of gale force and in handling large snowfall. And yet in some ways you are more vulnerable to winter than any other section of the country. You don't have access to cheap supplies of natural gas or oil, and you are heavily dependent on imported energy, primarily oil. It costs you more to heat your homes and your factories here than it does anywhere else in the 48 States in this country—Alaska maybe a little more. But even now Alaska has cheaper supplies of oil. Your jobs are in danger of leaving Maine, some of them, because to provide a certain amount of heat, the energy costs you about 45 percent more than the average place in our country.

No part of the Nation has suffered more from a lack of a comprehensive national energy plan than has New England. I've tried my best to close that gap, to correct the unfairness in energy distribution and energy prices. The House and Senate have both passed now a version of our energy proposal, and the conference committees are hard at work.

Let me tell you some of the ways, very briefly, that this energy package would

make your own lives more prosperous and your own future more sure.

At present, natural gas produced and sold within a State like Louisiana, Texas, Alabama, Mississippi, Oklahoma brings a higher price than gas exported to another State. The energy bill would create a single price so that producers would no longer be discouraged from marketing their natural gas in other regions like your own State.

The energy bill sets efficiency standards for motor vehicles, for appliances, and for buildings, to save energy. The bill gives tax credits to homeowners and business leaders who insulate their buildings and save energy. For those with incomes so low that they don't pay taxes, the energy bill establishes a program to weatherize the houses of the poor at no cost to them.

Local utilities will be required to work with their customers on energy audits to see where energy is being lost and where economies can be effected. Energy bills can be cut down even more by use of solar energy to meet part of your heating needs. The energy bill also encourages this by offering tax credits to those who install solar energy equipment.

The bill provides research and development funds to study ways in which we can make better use of energy sources that are renewable, the ones that come from the Sun. One of these, obviously, is wood, which has traditionally been an important fuel throughout much of New England and also in my own home State of Georgia. But wood can be used in many new and innovative ways, and we aim to explore those ways by research and development.

I don't mean to suggest that any of these things can come about easily or overnight. The problem of energy has been ignored too long for us to expect any quick solution. But we need to start down the road, or we will never bring our de-

mand for energy into balance with our continuing supply. Nor are there any attractive shortcuts. Our progress will be slow and sometimes hard to measure. But we must save oil. We must encourage energy production in our own country, and we must shift to more plentiful supplies of energy.

One immediate step that we can take is to lessen our dependence on foreign oil by conserving energy now. Some people have argued that conservation, the elimination of waste, will slow down our economic growth and cost jobs. But this is the opposite of the truth. Not only does energy conservation create jobs in the building industry and elsewhere, but conservation also means saving money by the efficient use of energy. It means the return to self-reliance in energy matters. Simply stated: Conservation means thrift. And since when does thrift mean stagnation? Any New Englander knows the answer. We must have a good, sound, comprehensive national energy policy. You know the answer to that.

And now I'm ready to take your questions on other issues.

### QUESTIONS

#### REGULATION OF BUSINESS

Q. My name is Bob Sherlock, and I live at 49 Bradbury Street in Old Town.

Mr. President, Americans have long looked to government to constrain private decisionmaking for the good of society. Do you think the Federal Government should play a role in constraining U.S.-based multinational corporations from following investment, production, and marketing policies which weaken and destabilize the American economy?

THE PRESIDENT. Yes, I do. There are several ways that this is being done now, as you know. One is the antitrust laws which try to enhance competition in our

country and preserve the finest aspects of the free enterprise system.

Another one is to cut down on unnecessary regulation. One of the great improvements that we've made in the last 12 months has been in the deregulation of the airline industry. And now, as you know, because of the changes that we have made, there's much more competition in overseas flights. You can now fly to England and back for, I guess, half what you could a year ago. The Senate is now getting ready to start voting on a bill to deregulate the domestic air routes. And we hope to eliminate unnecessary regulation, also.

I mentioned earlier today, in a press conference in Rhode Island, some of the tax provisions that I think would accommodate what you've just described. The elimination of overseas deferrals, which means that major corporations who invest overseas and therefore start employing foreigners to work in their factories pay a lower tax bill on a given amount of profits overseas than they would pay if they made those same profits in our own country.

We've got what they call a DISC operation, which encourages overseas investments and sales, where a big corporation—and almost all these credits go to big corporations—can set up a dummy corporation and export American products, and they only pay taxes on half their profits. But when they don't pay their profits in taxes at a fair rate, you know who has to pay the taxes for them—just the average working people of our country.

Another thing that I've tried to do is to eliminate some of the special loopholes that have been enjoyed by very wealthy people and influential people. One is what has been inaccurately called a three-martini lunch. Now, if a working man or wom-

an takes your lunch to work—say, a \$1.50 or \$2 sandwich and something to drink—or buys it in a restaurant, you can't mark it off as a business expense. But if a salesman or someone else has a very fancy lunch and has a customer with him, then they can mark all that off, maybe a \$25 or \$30 lunch, as a business expense. The same thing is applicable with tickets to sporting events, tickets to the theater. If they carry a customer with them, then they can mark it all off as a business expense. I don't think that's right, and I think we ought to do away with it.

But it's very difficult for the Members of Congress to support these kinds of tax reforms because the more influential people are, the more of these tax breaks or loopholes they've gotten for themselves. And the same ability to hire lobbyists to get the tax breaks in the first place keeps those lobbyists who are very effective in Washington now to preserve the tax breaks for them. And the average working family doesn't know anything about it. And I think it's time to have comprehensive tax reform.

So, I'd say antitrust, deregulation, tax reform, intense competition brings out the best in our free enterprise system and does not hurt business; it does not hurt employment. In most instances, in my opinion, it would help employment.

GOVERNMENT CONTRACTS;  
DICKEY LINCOLN DAM

Q. Bill Bussey from Bath, Maine. Before my question, Mr. President, the citizens of Bath, Maine, and the employees of the Bath Iron Works, wish to take this opportunity to express their gratitude and appreciation to you and the State Department for awarding contracts which enable the iron works to continue building the finest ships in the world.

Thank you.

THE PRESIDENT. Thank you. I might interrupt you to say that in the 1979 budget, which I've just sent to the Senate, we have eight more patrol frigates. And I feel sure that with the very fine quality work that you do and with your two U.S. Senators, Ed Muskie and Bill Hathaway there, I'm sure that Bath is going to get its share of the new contracts.

Q. Well, keep them coming.

THE PRESIDENT. I will. Now, what was your question?

Q. All right. Do you support Senator Hathaway's stand on the Dickey Lincoln power project?

THE PRESIDENT. Both Senator Hathaway and Senator Muskie have been long supporters of the Dickey Lincoln Dam on the Saint John River. We will make a decision—I will make a decision on the dam after August. We have an environmental impact statement that will be coming to me, I believe, on August of 1978. And until that time comes, I will not decide whether or not to put my request for that dam in the 1980 fiscal year budget.

As you know, we did put enough money in the budget this year to do the basic research and the preliminary planning for it and to complete the environmental statement. But I will not decide that until after August, when I get the statement about the environmental impact.

Q. Wayne Bayer, Bangor, Maine. Mr. President, may I just say that I want to thank you for your support and recognition of the courage and contributions of Senator Hathaway, in coming to the State of Maine.

THE PRESIDENT. Thank you.

NATIONAL HEALTH INSURANCE

Q. You have been accused, unfairly, I believe, of sending Congress too many legislative proposals. I'm concerned, if this argument gains increasing acceptance, that Senator Kennedy's plans and yours

for some form of national health insurance will be kept on the back burner.

As you know, it's been over 30 years since Harry Truman first proposed that the United States join the other progressive countries in the Western World providing its low- and middle-income citizens some protection from unexpected medical costs that wipe out savings and financially ruin families.

My question, Mr. President, is, how long will it be before Congress and the executive branch finally join hands in providing protection to those citizens who cannot afford adequate medical care?

THE PRESIDENT. As you know, I've been in office now for 13 months. And most of the problems that affect our Nation I inherited. And I think that this past year has been a good opportunity for us to address those difficult questions.

Energy—we've never had a comprehensive energy proposal put forward. [*Inaudible*—I'm working on with the special committees involved, reorganization of the Federal Government, the establishment of a new Department of Energy, the economic stimulus package which was so successful last year in bringing down the unemployment rate. In fact the unemployment rate dropped about 3 percent in New England from an average of about 8½ percent down to about 5½ percent.

We've also, on the foreign field, gotten deeply involved in the Middle East in a comprehensive settlement effort, and the Panama Canal treaties are a very difficult political question that are not popular, but are crucial to our Nation.

I know that Congress has been hard at work trying to deal with these questions, and so far, their final decisions have been very good on all these matters. I will present to the Congress, before the end of this session, legislation on a national health insurance program.

We've been working on this now for about a year. It is accurate to say that until we get the energy legislation, welfare, tax reform, tax reduction, out of the Ways and Means Committee in the House and the Finance Committee in the Senate, on which, as you know, Senator Hathaway serves, I don't think they can handle the health care question.

I've met with Senator Kennedy on this subject, and my guess is that his committee will begin working early in the summer or late in the spring. But we will present to the Congress a comprehensive health plan before they adjourn this year. And I would guess that next year would be the time for the Congress to take action on this legislation.

#### MENTAL HEALTH CARE

Q. Mr. President, my name is James Clark, and I reside in Hermon, Maine.

Mr. President, I realize that you have a national commission studying the Nation's mental health needs and that that Commission will report to you around April 1. The anticipated report of the Commission notwithstanding, would you please tell us tonight some of the specific improvements that you would like to see in the Nation's system of mental health care?

THE PRESIDENT. As you know, before I was President I was Governor of Georgia for 4 years, and my wife, Rosalynn, and I both undertook the mental health program in our State as a major new task. We were successful then in putting into effect a strong preventive care program, and an attempt, through diet and through education in the prenatal months of a mother's life and also in the early stages of a child's life, to prevent future mental illnesses.

We also emphasized the shift away from incarceration in large mental in-

stitutions into community treatment centers where the retarded child or other person with mental problems could live at home and have 8 or 10 hours a day to utilize what talents God had given them.

I think we established about 85 of those around the State during the 4-year period. In addition, we had a heavy emphasis on the problems that are caused by alcoholism and drugs. And, as you know, the foremost Senate proponent of correcting or addressing the alcohol and drug problem just also happens to be Bill Hathaway. He's been an innovator there, particularly the effect of excessive uses of alcohol and drugs on a mother before a child is born.

My wife is heading up the Commission that you referred to that will make a report to me in April. One of the things they asked for was a heavy increase in research and development funds, even in the new upcoming budget. And we've advocated, I think, \$39 million to start a much more heavy research program in mental health.

So, I would say that on a Federal level we would emphasize these major things just similar to what we did when I was Governor of Georgia. And many other States are already doing these things. We have a need for increased funding. We had the title IV(a) program, as you know, a while back where local people could set up in an abandoned house or storefront a place for retarded or other mentally afflicted people. And we had a good response there.

I think once you give a local group an image of what can be done, almost every family knowing some person with a mental problem can help. So, I would say prevention, research and development, a combination of treatment in the physical and mental health field, an increased use of paramedical personnel and even non-

trained personnel for rehabilitation and care, the utilization of Federal funds to match local and private funds and State funds in setting up community treatment centers, those are some of the things that will be part of a new program. But I'll have to wait until my wife gets through with the Commission in April before I can give you a better answer than that.

#### AID TO PAROCHIAL SCHOOLS

Q. My name is Joe Hughes, and I live in Bangor. Mr. President, how do you feel about Federal aid to parochial schools?

THE PRESIDENT. Thank you very much, Joe.

Well, within the bounds of the Constitution of the United States and the ruling of the Federal courts, I'm in favor of it. We have in our own State, while I was Governor, authorized the payment of a certain amount of State money to students who went to any of our colleges in the State, whether they were State-owned or related to religious institutions. This was declared constitutional in our State, and we did it.

We also are providing textbooks and other assistance to students in parochial schools. I think that's completely legitimate. As you know, the Congress is restrained in its passage of legislation on that subject because the Supreme Court and the Federal courts have ruled that direct aid to religious institutions, even including schools, is prohibited. I think it would take a constitutional amendment to completely open up that subject.

So, I would say to summarize that, within the bounds of Federal court and constitutional prohibitions, I would be in favor of giving aid to the parochial school students whenever possible.

Joe, thank you for that easy question. I appreciate it. [*Laughter*]

Q. Mr. President, my name is Bobby Burr, and I'm from the "Canoe City" of Old Town. On behalf of the Fifth Street residents, I would like to welcome you to Maine.

THE PRESIDENT. Thank you, Bobby.

#### DEMOCRATIC PARTY

Q. The Democratic Party has long proclaimed that they are defendants and champions of the poor, the oppressed, and the elderly. I would like to know how you, as the leading Democrat of the country, can equate the fact on the one hand that the House and the Senate has either done away with or decreased drastically any aid for these people and, on the other hand, has granted themselves a continuous cost-of-living raise?

THE PRESIDENT. I think that under Democratic or Republican Presidents, there have been substantial increases in the salary and the other benefits of Members of the Congress. And the same thing has applied to the top Federal employees. I'm sure that it's been the case with State employees and others who serve in local government. I think that we have done a great deal to help the elderly and those who are unemployed and those who have been suffering from chronic poverty.

The Democrats were the ones who initiated social security. The Republicans unanimously, with one exception, voted against social security. The Democrats were the ones that advocated the minimum wage when it was only 25 cents an hour. The Republicans voted overwhelmingly against it.

The Democrats were the ones who initiated rural-free delivery of mail to farmers and isolated families. The Republicans voted overwhelmingly against it. The Democrats initiated Medicaid, Medicare, the old age programs that we

presently have in existence. The Older Americans Act was coauthored by Bill Hathaway, and in many cases the Republicans voted overwhelmingly against it.

This past year we initiated a strong economic stimulus package, and I think our economy was helped greatly. I just pointed out a few minutes ago that the unemployment rate in New England, which had been 8½ percent when I took office, dropped to 5½ percent in 1 year. I can't predict that that downward rate is going to continue. I don't know about the future. But we will have going to the Congress next week from me a recommendation for a \$13 billion continuation of the comprehensive education and training act, because the Democrats have always felt that people who don't have great wealth ought to have an opportunity for vocational training and education tied directly to a job. We've advocated more than doubling public service employment and greatly expanding jobs for young people. And I think you know that the civil rights acts were initiated and passed by a Democratic President working with a Democratic Congress.

We've got our faults in the Democratic Party, but neglecting old people, unemployed people, poor people, young people is not one of our faults.

Q. Mr. President, my fifth grade class would be upset if I didn't say hello for the fifth grade class in Fitzborne Middle School in Hampden, Maine.

THE PRESIDENT. Thank you.

#### INDIAN LAND CLAIMS

Q. My question is, since the ice hasn't been broken yet, since our land claims case will set a precedent across the country, I would like to know, will other States have to be as lucrative in the giv-

ing of land and money as we are in the State of Maine?

THE PRESIDENT. As you know, the Indian claims case in the State of Maine was initiated, I think, about 1971, when copies of old treaties were discovered and the Indians felt that they had a legitimate claim in court. Under the laws of our Nation, the Interior Department is responsible for Native Americans and is obligated to defend and to protect and even to intercede in court on behalf of the Indians, and the Attorney General is required to represent the Secretary of Interior in that relationship.

When I came into office a year ago, this case had been continuing for a long time. And if you think back a year, you can remember that almost every property owner in Maine was in danger of not being able to transfer their own property or to buy additional property, because no one could get a clear title even to their own land because of the threat of the Indian lawsuits.

Well, obviously, I've got as much as I can handle as President. And I could recognize very clearly that there are more non-Indians than there are Indians in Maine. So, politically, there's no advantage in trying to resolve a question of this kind.

I could have washed my hands of it and said let the people of Maine sweat it out. But I felt then that there was a need for us to resolve it fairly quickly, and we've been working on it for a year.

I sent the best lawyer I know up here to work with it, Judge William Gunter, and he worked out an agreement that he thought was fair, that the Indians rejected. Later, I got Eliot Cutler from Bangor, Maine, knowing your people, to come in and take over as the head of a negotiating committee.

What we've worked out, I think, is a very good resolution. The Indians have accepted it. And what it says is that anybody in Maine that owns less than 50,000 acres of land will no longer have to worry about lawsuit attacks on their rights or deeds to their own property. That's an agreement that I reached on behalf of the American people and the Congress will have to ratify.

The only ones left still not resolved are 14 landowners in Maine who have more than 50,000 dollars (acres)<sup>1</sup> and the State of Maine itself. What we have negotiated doesn't put any obligation on those large landowners, nor the government of Maine.

The Indians have said, if you want to accept it, fine. We are ready to accept it on those terms. But if the Governor of Maine or the 14 landowners don't want to accept it, they have three choices. They can either continue to negotiate, they can accept the agreement that we worked out and have an end to it, or they can stay in court and litigate. I have no preference about it.

I don't have any personal interest in it, as you well know, but I thought it was good to get this question out of the way as quickly as possible to let the people of Maine, in two-thirds of the area of your State, stop worrying about possible future lawsuits about which they know very little and over which they had very little control.

So, I think I've done my job as well as I could. We have not imposed the will of the executive branch on the State of Maine at all. The government of Maine is still completely free to do anything it chooses.

Q. Thank you.

THE PRESIDENT. One other part of your question, how many other States will be

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<sup>1</sup> Printed in the transcript.

in a similar condition, I don't know. My own preference is that the executive stay out of it and let, you know, the Interior Department, representing me, and the Federal courts settle it. But I felt that in this particular case, so many citizens were adversely affected in Maine, that it was a special case. But I hope that this will be the only instance of this kind in which I, as President, will be involved.

#### WOOD ENERGY SOURCES

**Q.** Mr. President, I am Ed Meadows. I live in Hamden, Maine, just down the river from Bangor. You are certainly correct that we in New England are much concerned with the dilemma of energy sources and supplies in this region. And for that reason, references to wood energy in your opening statement were very heartening. However, we know that up until this point, that the ERDA administration has not been particularly concerned or convinced about the potential for great regional impacts and balance of payment and other benefits that wood energy could have.

My question is, therefore, what specific steps will your administration now take to ensure that wood energy plays a more prominent role in Federal energy policy?

**THE PRESIDENT.** Last November, I think, maybe December, I had the State forester from my own State come up to Washington to meet with me and to meet with the head of the American Foresters, who works in the Agriculture Department, to expedite research and development in the use of wood for energy.

About two-thirds of the State of Georgia is covered with forests. A lot of that forestland is suitable for paper pulp or timber, most of the soft woods, the pines, poplars. But we have thousands and thou-

sands of acres of land that's not good for pulp wood nor for timber construction that would be perfectly suitable for fuel. And there are some fast-growing species of trees, as you know, that would give us a replenishable supply.

The problem is the cost of harvesting lumber. We now are experimenting with chippers that can take a whole tree and run it through the chipping machine in the forest; load it on dump trucks that can take it directly to the railroad siding, and with vibrators on the side of the boxcars, can haul substantial quantities of that material to major plants nearby.

I think that this is a subject that needs more attention. Jim Schlesinger has been to the White House specifically to discuss this with me, and we will increase our research and development effort in this use of wood far beyond what we've done in the past.

I can't give you an exact figure yet on what will be advocated, but it will be a top priority for me because I know at first hand how valuable wood is. But if you'll give me before we leave or give one of my staff members your mailing address, I'll get Dr. Schlesinger to give you in writing a more specific answer, spelling out in detail what projects we have underway now and what we advocate for the future.

**Q.** Thank you very much. We appreciate your understanding of this issue as a scientist. Thank you.

**THE PRESIDENT.** Thank you.

#### DEPARTMENT OF EDUCATION

**Q.** Mr. President, my name is Dave Porter from Hampden. I am also a teacher. I'm a science teacher at Weatherbee Junior High School. As I understand it, you are planning to recommend implementing a separate department of educa-



tion. What benefits do you feel that this will have on our educational system?

THE PRESIDENT. There is already a bill in the government organization committee under Senator Ribicoff, to set up a separate department of education. When I first went into government, I was on a local school board. I ran for the Georgia Senate, and I was the chairman of the university committee and in the education committee.

When I was Governor, I would say I spent 25 percent of my time, at least, working on improvements in education.

Since I've been President, we have a Cabinet meeting every Monday morning for several hours. And then I meet with my Cabinet officers, two or three of them individually each day.

I doubt that I've spent a half of 1 percent of my time dealing with educational matters as President. Education is buried deep within the same department as health and welfare, which are the more dominant matters of interest, at least in Washington. And I believe that in that process, education is neglected.

There's a tremendous opportunity in our country to get back to basic education. We've got too many people, I think, going into the fourth, fifth, sixth, seventh, and eighth grades that can't even read and write. And we've got too many vocational and technical schools, career training programs, high schools, even colleges turning out students that are not accurately matched in their learning capabilities with the jobs that are available when they graduate.

There's very little correlation between jobs that need to be filled and the product of our educational institutions.

I think that this is also a matter that ties very closely to employment, in the comprehensive education and training programs, you know, working with both

private employers and also with the State and local governments as well as the Federal Government, where you can have a combination of training and education. I've just advocated recently a tremendous increase in scholarships and loans, grants and work-study programs for college students.

The Federal Government is just now getting involved in that process. We also have a real need to tie together the training and education programs for the mentally afflicted Americans, or those who are slow learners, and in many ways I think the Federal Government ought to give more attention to education.

I think the control of the education system ought to be at the State and local government. I don't want to get the Federal Government into controlling of any colleges or high schools or grammar schools or kindergartens. But I just would like to have as President a much more sure sense that I'm devoting an adequate amount of my own time to bringing about a raising of educational standards in our country.

We spend too much money and get too little education benefits back from it, and I think a separate education department or agency with that one single responsibility would give education the high visibility on a national level and the voice of the President promoting better education, that I don't think will ever be possible with education buried in Health, Education, and Welfare.

#### WOMEN IN DECISIONMAKING POSITIONS

Q. Mr. President, my name is Mary Smith, and I'm from Bangor.

During your campaign for President, you made a firm commitment to put more women in decisionmaking positions should you become President of the United

States. I was on the State steering committee for the 51.3 Carter-Mondale campaign.

Do you feel that your administration has in fact put more women in decision-making positions than your unenlightened Republican predecessors? [*Laughter*]

THE PRESIDENT. Yes. At the executive level of Government we've got, I would say, at least three times as many women now as we had before. We still don't have enough. The General Counsel for the Defense Department is a woman. Juanita Kreps, the head of the Commerce Department, as you know, is a woman. The person who's in charge of all the housing and urban development programs, of public works programs, is also a woman. And we've had the first women appointed as U.S. attorneys and also women being considered and appointed for Federal judgeships.

I think that we have a difficulty in that it's hard to locate women with proven records in business administration or local or State government administration or in the Federal Government that we can promote into a major job, because they've been discriminated against for so long.

But we have on the regulatory agencies, as well, in the top regulatory agencies, appointed women in major positions of responsibility. Compared to what my predecessors have done, we've done an excellent job; compared to what we can do, we have not yet done so well. But we are doing better every day.

#### FEDERAL RESERVE BOARD

Q. Mr. President, Morris Shay, 36 Grove Street, Bangor.

Mr. President, there's been a lot of talk in recent years about the role of the Federal Reserve Board and its impact on our economic welfare. How do you envision the Fed's role under your new

Chairman, Bill Miller, and do you feel that they will be of help to you as you try to meet your goals?

THE PRESIDENT. The Fed should always be independent and not subservient to a President. I'm sure that you are well aware that the President, the Congress, and the Federal Reserve Board have a joint responsibility under our legal structure.

I, as President, for instance, can with my Cabinet make many administrative decisions that concern the rate of spending of money, what month the money is spent, what part of the country the money is spent in. I can propose the overall budget figures, and the Congress quite often complies, within reasonable limits, with the President's proposal.

The Congress has an equivalent responsibility, for instance, in the tax laws. They can modify very quickly the tax laws, giving an instant rebate, which has a profound effect on the economy.

And at the same time the Federal Reserve in controlling the flow of money into and out of the banks can determine how much money is extant at one time and indirectly control the interest rate.

So, I think those three can balance one another.

I had a good working relationship with Arthur Burns, and I have a great respect for him. I think he did a good job. As you know, his major concern was inflation. But I think that under his administration, which was combined with a Democratic Congress and Democratic and Republican Presidents, including myself, the inflation rate continued to grow up, and I think the interest rates last year went up too much.

I don't say that in criticism of him. But I think Bill Miller will be an outstanding person. I felt it was time to bring in a tough, competent business

leader into the Federal Reserve Board system and not just a professional economist or even a banker.

Bill Miller is someone who is intimately familiar not only with business management but he also understands international trade problems. And he's been one of the most dedicated and unselfish public servants I've ever known in trying to enhance job opportunities for minority groups, young people, Vietnamese veterans, and so forth, working with private business.

I think Bill Miller will bring a very well balanced approach between controlling inflation on one hand, enhancing the value of the dollar overseas with sound international trade practices, and at the same time, he has a heartfelt commitment to cutting down the unemployment rate.

Also, I think that Miller will be much more inclined to at least consult with me and the Congress, perhaps, than Chairman Burns was, because he's a younger man, he's coming in, and he knows that he has a lot to learn, as do I.

So, without any criticism of Arthur Burns, I think that we will have a very good administration of the Federal Reserve Board under Bill Miller.

#### LORING AIR FORCE BASE

**Q.** Mr. President, my name is Bill McDonald. I'm a master sergeant in the United States Air Force, and I live here in Bangor, Maine.

My question, Mr. President, is what are your feelings on the proposal to close Loring Air Force Base?

**THE PRESIDENT.** When the decision is made, probably later on this year—almost surely later on this year—I'll make a judgment as to what I think is best for our country, its defense, with attention to the efficient use of money and, obviously, with its strategic advantage in case we

are attacked over the Arctic Circle in a war.

Under the previous administration, when President Nixon I believe was President, maybe President Ford, a decision was made to close Loring Air Force Base or to cut it down substantially. Ed Muskie and Bill Hathaway recognized that in addition to environmental questions and defense questions and Federal budget questions, there's a major additional factor of economic damage to the northern part of Maine if Loring Air Force Base is closed.

I have asked Secretary of Defense Harold Brown to reassess the decision made by the previous administration about Loring. And I've told him to take into consideration not just environmental questions and defense questions but also the economic impact on Maine of closing Loring Air Force Base.

I don't know what their decision will be when it's recommended to me. But I do know that there's a much better chance now to keep Loring Air Force Base open because of the interest of your Senators, your Governor and others, and because of my interest, than there was before.

But I can't promise you at this point that I'll keep Loring Air Force Base open at its present full strength. But if there's any doubt whatsoever about the overall balanced impact, then my inclination would be to maintain Loring at as high a strength as possible. But I'll have to wait until I get the recommendation before I know the final answer.

#### ABORTION

**Q.** My name is Elizabeth Vickery. I live in Orrington, Maine.

Mr. President, during your election campaign, you stated you were against using Federal funds for abortion.

**THE PRESIDENT.** Yes.

Q. Congress has recently passed a restrictive Hyde amendment. Could you give me your view of HEW's liberal interpretation of this amendment?

THE PRESIDENT. I do not favor and I have not favored the use of Federal funds to finance abortions. I am willing to use Federal funds if the pregnancy is a result of rape or incest.

I think, though, that this should be administered in such a way that women are not encouraged to lie about it and to use that legal, congressional mandate as an excuse for abortions when no rape or incest has taken place. And if it appears to me and to Joe Califano, who feels the same way I do about the question, that the ruling is being abused and that women who have not actually been raped or had a pregnancy caused by incest, then I would favor a tightening up of those HEW regulations. I think we ought to be very strict about the administration of the law and the ruling.

#### INDIAN LAND CLAIMS

Q. Mr. President, my name is Francis Anthill, I am a Penobscot Indian, full-blooded. I live at Indian Island, Maine.

Would you veto any attempt by the Congress to abolish the Penobscot and Passamaquoddy Indian land claim suit?

THE PRESIDENT. I doubt that I'll face that prospect. I can't imagine the Congress abolishing a lawsuit by statute.

I would say yes, I would veto such legislation.

Q. Thank you.

THE PRESIDENT. Now, let me add one other thing, because I'm not sure I understand all the meaning of your question. If I felt that the suit had been resolved in a fair way, say, based on the settlement that the Indians have already agreed to, then the lawsuit would no longer be necessary. But I would not take away the rights

of the Indians that have already been negotiated by short circuiting the process with Federal legislation.

Is that what you meant? In other words, if the lawsuit is successfully negotiated and the Indians accept the negotiation, then the lawsuit would no longer be needed; is that correct? Did I understand your question right?

Q. Would you veto any attempt by the Congress to abolish the Passamaquoddy and Penobscot Indian land claim suit?

THE PRESIDENT. The answer is yes. I would veto any legislation that would try to resolve the whole Indian claims question just by abolishing your suit. Yes, I would veto that.

#### IMPORTANCE OF THE INDIVIDUAL

Q. Good evening, Mr. President. My name is Marie Mathieson, and I live in Bangor, and I attend John Baps High School.

My question to you tonight, sir, is, whom do you consider contributes more to the welfare of our country, a coal miner or a United States Senator? [*Laughter*]

THE PRESIDENT. Well, as you know, there are coal miners who are now United States Senators. And there are peanut farmers who are now United States Presidents. [*Laughter*] So, I don't think you could say who contributes more. Quite often when someone does become a United States Senator, it's because in their own profession—whether it be a college professor or a schoolteacher or a farmer like myself or a miner or perhaps an engineer or business executive or a lawyer—they have shown leadership qualities, and they've either been in the Congress or been a Governor and proven to be a good representative of many people. And because of the trust that they've built up among people who know them, they've been sent to the United

States Senate in a much more responsible job.

Obviously, a U.S. Senator has more impact as one person on our Nation's attitudes and perhaps its welfare than one individual coal miner would. But that doesn't mean that coal miners as a collective group are not very important.

I think each person in the eyes of God is of equal importance. And I would guess that many coal miners, if they never go away from their homes more than 10 miles, could do as many or more great things in the eyes of God and their families and those who know them than even a President could. So it's hard to say who would be the greatest.

#### DEFAULT ON STUDENT LOANS

Q. Mr. President, my name is Cathy Lewis, and I'm a resident of Veazie, Maine. My question for you is, with the recent news concerning defaulted governmental educational loans, will there be new and stricter requirements when applying for a Government-guaranteed loan?

THE PRESIDENT. For college education?

Q. Yes.

THE PRESIDENT. The answer is yes. In the comparison of Federal employees' names with students who have deliberately defaulted on loans, we've found many people who are now drawing a good Government salary who just did not pay their student loan. And Joe Califano is now requiring those Federal employees to pay off their loan without working a hardship on them and their families because of too high a payment per month.

One of the things that has endangered the entire college aid program has been the deliberate cheating by college students off the taxpayers when they signed a contract, "If you will lend me money to get my college education, I will repay it

and let that money go to help another student." And because of a loophole in the law, many students would finish college and immediately declare bankruptcy so they would not have to repay the loan. I don't have any sympathy for a student who does that on purpose. And I think we ought to do everything we can to collect those loans when they've been made in good faith and received in good faith, because the ones who suffer are the taxpayers in general and also other students who could benefit if that first student did his or her duty.

#### THE PRESIDENCY

Q. My name is Sharon Corvey, and I live in Bangor.

Mr. President, I am a second grade teacher at the Abraham Lincoln School in Bangor.

My class and Donna Chappitt's class have been studying about the many facets of a President's job. Our second grade children would like to ask these questions: What part of your job is the hardest? What part of your job do you enjoy the most? And do you get dizzy flying in Air Force One? *[Laughter]*

THE PRESIDENT. Can I take my choice? *[Laughter]* No, I don't get dizzy flying in Air Force One. Sometimes on a long trip with a lot of stops and not much rest and time zones changing, you know, I can't say that I'm particularly in charge of all my faculties. But I don't really get dizzy. *[Laughter]* I think the most enjoyable thing that I have to do as President is just to realize the tremendous history that has preceded me in the White House and what our Nation stands for and the difficulties and challenges that have faced the American people, and the courage and strength and the cohesiveness of Americans in overcoming those difficulties.

Every single President has lived in the White House, except George Washington.

The White House was built while he was President. And I walk through the White House sometimes, you know, alone, and see the portraits there of Thomas Jefferson and his little writing case and go in the Lincoln Bedroom where the Emancipation Proclamation was signed and think about the difficult times they had and the time of Harry Truman and Franklin Roosevelt when we fought the Second World War and Woodrow Wilson at the conclusion of the First World War, and I think about the strength of our country.

So, I think the most gratifying thing is feeling that the American people have trusted me, that I'm part of this tremendous Nation and that I share a heritage and a history and a future in the greatest country on Earth. It's a very reassuring thing.

I think, obviously, the most difficult thing is to recognize the limitations of a President's power. There are so many things that I would like to do instantly that take a long time. But I think in general that frustration that I feel is a good thing.

The balance of power between Presidents and Governors, between the President and the Congress, between the Congress and the courts, although it's frustrating, it also is good. There are some difficult decisions that I have to make—SALT treaties with the Soviet Union, I would like to be able to eliminate nuclear weapons from the face of the Earth and prevent other countries—[*applause*]*—and I would like to prevent other countries from developing explosives that don't have them now. And I would like to see the Middle East peace negotiated.*

And you know, I would like to see a good health insurance program and welfare reform and the State—and the Federal Government, rather, reorganized, the

tax system reformed. I have to negotiate and work with the Congress.

And sometimes I'm impatient, but then the more I've gotten to know the individual Members of the Congress, the more I see that they have a special experience and an expert knowledge that I don't have. And they bring up questions that I haven't thought about.

So, I have to be very cautious about how I move forward. In general, though, I would say that I have enjoyed being President.

Our family is close together now. We enjoy the house where we live in. It's convenient to my working place. [*Laughter*] The salary is very good, and the perquisites are nice. And I think the reception of the American people has been good so far.

We've addressed some very controversial questions, and I feel that I've got adequate support from the American people. So, I think the most enjoyable thing is knowing that I'm part of a great nation.

The most difficult thing is the limitations that have built in to a President that makes his actions checked and balanced with others, both internationally and domestically. But I think it's one of the greatest jobs I've ever had.

Q. My second graders thank you very much, Mr. President.

THE PRESIDENT. Tell your second graders to come and see me and Amy. [*Laughter*]

Q. They would love to. We've talked a lot about Amy, and they really would like to meet her.

THE PRESIDENT. You bring them to Washington, and I'll be glad to see them. [*Laughter*]

HANDICAPPED PERSONS

Q. Good evening, Mr. President. I would like to ask a question on employment as far as the handicaps are concerned. Are we going backward or forward?

THE PRESIDENT. I think in the last 12 months in carrying out the mandates of the Congress, with the implementation of employment standards in the Federal and State, local governments, and also in private industry, that we've made the greatest step forward in ensuring handicapped Americans rights that we've ever taken.

I think most of the groups that represent handicapped people agree that this is true. It applies not only to jobs and to educational opportunities, to special education grants and loans that are available but it also applies to physical facilities, the design of buildings, the design of buses and other transportation available.

So, I think that we've made a major step in the last 12 months, not because I initiated it but because we carried it out—a decision that Congress had made before. So, I think we're moving forward with the handicapped.

Q. Mr. President, please send our fondest wishes to your wife, and we love you.

THE PRESIDENT. Thank you very much. I love you, too.

MIDDLE EAST ARMS SALES

Q. Hello, Mr. President. My name is Jack Arruda, and I'm from Bangor, and I attend Bangor High School.

Mr. President, don't you think that it's contradictory to sell arms to Middle East countries when you're pushing for peace?

THE PRESIDENT. No. [*Laughter*] And I'll tell you why.

I have promised and I will carry out my promise to cut down year by year the quantity of arms sold to overseas markets.

We'll obviously have to meet our treaty obligations with NATO and with Japan and with New Zealand and Australia. Other than that, though, each year the amount of arms we sell will be reduced.

We have already begun discussions with other arms suppliers—France, Belgium, Great Britain, the Soviet Union—to try to get them to join with us in this commitment. So far we are moving on our own. We have made some progress.

Later on this year the United Nations will have a general disarmament conference, and many of those leaders that I just described to you will be speaking at the United Nations. And I may go and make a keynote speech there myself.

In the meantime, the Soviet Union is selling tremendous quantities of arms, very advanced in nature, in Ethiopia, in Libya, Iraq, and Syria, and formerly they sold large quantities of arms to Egypt.

Our historic commitment in the Middle East has been to keep Israel strong and secure, and obviously we are honoring that commitment.

The Saudi Arabians have very close relations with us, as do the people of Iran, and as you know, they are between Israel and the Soviet Union, in a very highly tense part of the world. We've never before sold Egypt any weapons that could be used in an attack. The F-5E's, which I have asked the Congress or will ask the Congress next week to sell to Egypt, are not nearly so advanced as the F-15's and 16's that Israel is getting. And no one could think that the F-5E's could challenge an F-15 or an F-16.

But you have to remember that we cannot abandon our own friends in the Middle East. If we did, Egypt would soon be overrun from Libya or perhaps even from Ethiopia. And we cannot afford to let that happen.

I might say in closing that it's not a matter of confrontation between Saudi

Arabia and Egypt on one hand and Israel on the other. We're trying to negotiate a peace settlement there, and I think we have an excellent chance to succeed this year. But Egypt has to be able to meet the threat from other sources as well. So, we're doing three things. To recapitulate: We're trying to get other nations to join in with us in cutting down the sale of advanced weapons around the world. Unilaterally, we're cutting down the quantity of arms we sell overseas. At the same time, though, we have to meet the legitimate defense needs of our allies and friends so that they will be secure.

#### MALPRACTICE INSURANCE

Q. Mr. President, Joan Holmberg, Maple Street, Bangor.

Each State is currently undergoing much debate and legislation over malpractice insurance due to the problem of increasing premiums from the increasing financial awards. How do you feel the Federal Government could help in this dilemma which might in the long run be able to keep down the cost of medical care?

THE PRESIDENT. One of the things that has been done in some States is to have a three-person board that acts as a mediator for a given hospital community, where the doctors agree and the hospital agrees and the patients agree that when they go into the hospital, if there is any malpractice involved and the patients suffer therefrom, that the patients would choose one member of the negotiating board, the doctors would choose one member, and perhaps either the courts or those two would choose another.

And instead of going into a lawsuit, where the doctors might suffer from unscrupulous lawyers, that they would be negotiated between the patient and the doctors and a fair payment made.

That's one legal procedure that has been used in some areas. When I was in Rhode Island earlier today, I visited a health maintenance organization which goes an even greater step. And I strongly favor this kind of health care.

They have in Providence, Rhode Island, about 28,000 people who come in individually or who work in small or large factories. And they pay a certain amount of money per year per family, and they have their health needs taken care of on a continuing basis—the emphasis on the prevention of disease.

Every adult goes into the clinic where, I think, 25 doctors work, and they have a physical examination, complete, once a year. A small baby would go in every 3 weeks or perhaps every 4 months when they get to be 2 years old—I don't know the exact statement. But they form kind of a partnership between the patients on the one hand and the doctors on the other, where the doctor's best interests are served if the patient doesn't have to go to the hospital.

The average cost for excellent health care there, including hospital costs, is about half the cost for Americans on an average. And they use the hospital about half as many days per year as the average American does. At this time, as you know, it's sometimes to the advantage of the doctors; it's sometimes to the advantage of the hospital. And the patients pay in the long run through insurance premiums to put the patient in the hospital where they don't need to go at all.

My wife recently, for instance, had a tumor in her breast, and it turned out later to be benign, not malignant. And she went to Bethesda [Naval] Hospital, and she was only there about an hour, and she came back home.

But if she had been in Plains and had gone to the local hospital, chances are



that she would have been admitted to the hospital and stayed a day or two because the doctor and the hospital would want her to stay there. So, I think that this kind of approach to health care—prevention, outpatient care, a constant relationship between the patient and the doctors—is the best broad-range prevention against abuses from malpractice suits, and I think it would help to prevent malpractice itself.

The old family physician is not the common thing now. In the situation I described in Rhode Island, though, each family can choose their own doctor, so there is a close relationship there. So, I think that's a free enterprise system. It's not even a Federal program.

If we have a national health program in the future, I think this would be kind of a pattern that might be used, either using insurance companies or some other means to manage the financing. So, I'd say those are two approaches that could serve to control malpractice suits.

The last point I'd like to make is that this is kind of a regional thing. The most severe threats to physicians on malpractice, I think, is in California. And it's kind of a community attitude that if a malpractice case does arise that enormous payments or fees can be collected from the doctor or the hospital above and beyond the actual damages that incur on the patient.

So, I can't give you an answer. I don't know the answers. But that's two ideas that just come to mind on the spur of the moment.

Q. Thank you.

THE PRESIDENT. I'm not a lawyer or a doctor. Thank goodness I'm not a patient right now, so I'm not very well qualified on it.

CYPRUS

Q. Paul Perdikas, 94 Third Street, Bangor, Maine. I was wondering—

THE PRESIDENT. What was your last name?

Q. Perdikas.

THE PRESIDENT. Okay.

Q. Do you know how to spell it?

THE PRESIDENT. That's all right. [Laughter]

Q. I was wondering what are you going to do about the Cyprus situation over there in Cyprus? They're having a lot of hard times, you know. And most other Presidents haven't done anything. We're all depending on you to do something. We hope you will.

THE PRESIDENT. Thank you.

The first thing I did when I got to be President was to talk to Cyrus Vance, the Secretary of State, to see what we could do about the Cyprus question.

It's very complicated, as you know, because in the past the leaders of Turkey and Greece have not been willing to communicate with each other. And they have nations that are sharply divided on the argument over the Aegean Sea rights, both the rights of passage of ships and also possible future explorations for oil in the area between Greece and Turkey, in the ocean.

I sent Clark Clifford to represent me, and he met with Demirel and Caramanlis at that time. Recently, Turkey has had a new election, and Ecevit has been elected now the Premier of Turkey.

Recently, Secretary Vance visited both Ecevit and Caramanlis and urged them to make progress toward a resolution of the Cyprus question. They have now agreed to meet personally with each other in March, this coming month.

This is a very good step in the right direction. We have pending now mutual

defense treaties between ourselves and Turkey, ourselves and Greece. They've not yet been concluded finally by Greece, Turkey, and the Congress.

I would hope that if we could make major progress toward a Turkey-Greece settlement of the Cyprus issue, using the local administrators there working with Turkey and Greece, that we could proceed to bring Greece and Turkey back into NATO.

So, we're doing all we can. I think that there's a limit, though, to what the United States can do, because the Turks and Greeks are highly independent people and the right progress has already been made now—the scheduling of direct talks between the heads of state in Turkey and Greece.

Q. Okay, so as long as you do your best, you'll win in 1980.

THE PRESIDENT. Well, if we can get that done, it will be a great step forward. Thank you.

#### ABORTION

Q. Mr. President, my name is Jerry Thibodeau from Bangor. Do you believe that abortion is the taking of human life; if so, will you be taking any steps to protect this vulnerable life?

THE PRESIDENT. Yes, I do. I have come from a State and from a family which is highly religious. Georgia and Texas had the two very stringent antiabortion State laws that were stricken down by the Supreme Court while I was Governor.

As soon as that was done, under my leadership as Governor, Georgia passed the strictest abortion law that was permissible under the Supreme Court ruling. As you know, the ruling, in effect, said that no State could prohibit abortions during the first 13 weeks, and later in the second and third trimesters that they could prevent abortions. Georgia took

that stand in a very strong way.

As President, you know, I favor, as I said earlier, the prohibition against the use of Federal funds for abortions, recognizing that under the Constitution of the United States as interpreted by the Supreme Court, States are authorized to permit abortions under certain circumstances.

So, I do think that abortions are the taking of a human life, and I have done and will do all I can to minimize the need for abortions.

I might say that there are things that can be done to prevent an unwanted birth—an education program, the availability of contraceptives for those who believe in their use, family planning programs, more easy adoptions, and so forth. And we are moving on those areas, too.

I might add one other sentence, and that is that Joe Califano, who is the head of HEW, is a very devout Catholic, as a matter of fact—I happen to be a Baptist—and his views on abortion, I believe, are the same as those I've described as mine.

Q. Could I add one thing?

THE PRESIDENT. Please.

Q. I think the effect of the Supreme Court decision has been to legalize abortion on demand for the full 9 months of pregnancy, rather than just the first trimester.

THE PRESIDENT. But the point I was trying to make is that a State, if it wishes, can prevent abortions in the second and third trimesters. A State cannot prohibit abortions, I think, in the first trimester. That's what I understand about it.

#### EQUAL RIGHTS AMENDMENT

Q. Mr. President, I'm Marie Urbanski from Orono. We agree on one fact, at any rate. I agree with you that life is unfair.

My question is this, Mr. President: Would you be willing to use the power of your office, the great moral power that you have, perhaps make a fireside chat to awaken the Nation to the importance of extending the time for the passage of the equal rights amendment?

THE PRESIDENT. I can't promise you the fireside chat, but I do favor the extension of the time for the ratification of the equal rights amendment.

My wife, Rosalynn, is in Tampa, Florida, today trying to get the equal rights amendment ratified in Florida.

This ruling has been issued by the Attorney General, Griffin Bell, that it would be constitutional to extend the time for ratification, and legislation will be considered by the Congress.

The Congress would have to pass such legislation. I support it. And if it is passed, I will sign it with pleasure.

Q. Thank you, Mr. President.

#### OIL SUPPLIERS

Q. Mr. President, I am Chris Cookson, and I'm from Brewer. My question is, I would like to know where you plan to get oil if the Mideast refuses to sell to the United States?

THE PRESIDENT. Okay. This will have to be the last question. But, Chris, that's a good question to ask, and it's one that's very important to your area of the country in particular.

As you know, the OPEC nations, the oil-producing and exporting nations are not all Arab countries. And I think it's accurate to say that now we have a much better relationship with the Arab countries than we had in 1973, when an embargo was placed on our country.

We've now gotten to be very close, for instance, to Saudi Arabia, the major oil-

producing nation of the world. And Iran is a very good friend of ours, and so are others.

Outside of the Middle East, there are major suppliers of oil. England is now able to export oil from the North Sea. We will be building up our Alaska oil production to about 2 million barrels per day. Mexico has great reserves of oil that they're just beginning to explore for. Venezuela provides a large portion of our oil—that's a country in South America, as you know.

Nigeria is an OPEC nation in Africa. We now have a very good relationship with Nigeria. Formerly, when Secretary Kissinger was in office as Secretary of State, we had such bad relationships with Nigeria that they wouldn't permit him to come into the country to visit. But now we have good relationships there.

So, I would think that there's much less of a chance for the OPEC nations in the Middle East to declare an embargo against us because we are better friends than we used to be.

Secondly, many nations outside of the Middle East who are OPEC nations can provide us with oil. We have a major supply of oil in our own country. We produce now about 50 percent, a little more than 50 percent of what we use. And we have strict conservation measures that could be built up.

One other point is that we are putting in the ground, in underground storage, in salt domes, about 500 million barrels of oil which will be built up by 1985 to a billion barrels of oil. This is enough to carry us over for about 8 or 10 months, even with a total embargo against our country.

I will do all I can to prevent an embargo. And as I said many times during the campaign, if another nation declares an embargo against us, I would declare a

total embargo against them and not ship them any food, not ship them any weapons, not ship them any spare parts for the weapons they've got. And I've made that very clear.

So, I believe that we won't have to face that prospect. If we do, with our reserve supplies and other supplies of oil from non-Middle East countries, we can get by.

We also, obviously, have large supplies of coal and natural gas that can be substituted with hardship, but we could get along.

Let me say one other thing before I have to leave. This session has been very helpful to me. It's a very enjoyable thing for a President to get out of Washington. And I forgot to tell that to the second grade. But to come back and visit with friends who took me in when I was a lonely, unknown candidate is a very fine experience for me as President. And I thank you for it. You've had some very challenging, very difficult questions. I don't claim to know all the answers. And part of my answers have not been adequate for the questions that you've asked. But I really appreciate your hospitality here.

And I would just like to remind you of one thing in closing: We do have problems, economically, politically, sometimes we've been embarrassed with our government officials' actions. But we're still the strongest nation on Earth. We're still the best nation on Earth. We're still the greatest nation on Earth. And I think all of us would serve ourselves and our country well to think about the good things and the positive things and the tremendous future that we have as Americans.

Thank you very much.

NOTE: The President spoke at 8:03 p.m. at the Bangor Auditorium.

Following the town meeting, the President spent the night at the home of Mr. and Mrs. Robert Murray of Bangor.

## Nashua, New Hampshire

*Remarks and a Question-and-Answer Session at a Town Meeting With New Hampshire High School Students. February 18, 1978*

MAYOR AREL. *Mr. President, Senator McIntyre, Senator Durkin, members of the Board of Aldermen, students, ladies and gentlemen:*

My name is Maurice Arel, and as mayor of Nashua, it is my pleasure to welcome all of you to our city for today's historic New Hampshire town meeting.

We in Nashua have been visited by Presidents of the United States before, but never before have so many of our citizens had a chance to share their views with the Nation's Chief Executive.

So we are proud, Mr. President. We are proud not only that you are here, but that you have come to meet in a special open forum with the people of New Hampshire.

Ladies and gentlemen, I can think of no more appropriate person to introduce the President than our own senior United States Senator, Thomas J. McIntyre. While serving New Hampshire for more than 15 years in Washington, Tom McIntyre has come to represent the essence of the New England town meeting tradition—an honest, open, courteous way of doing business.

Ladies and gentlemen, it's my pleasure to present to you United States Senator Tom McIntyre.

SENATOR MCINTYRE. *Mr. President, Senator Durkin, ladies and gentlemen, students and teachers, special guests and dignitaries:*

Today we welcome Jimmy Carter back to New Hampshire. In a sense his visit is a homecoming, for it was just 2 years ago this month that the voters of our State provided the first indication that he would win the Presidency some 10 months later.

This was not the first time New Hampshire voters of one party or the other anticipated the eventual outcome of the Presidential election. Indeed, our first-in-the-Nation primary has been an unfailing bellwether in seven consecutive primaries dating back to 1952. Today, the man we foresaw into the White House long before many others did has come back to New Hampshire. He has come here to engage in a public dialog with the young people of our State. But before I invite the President to the podium, I'd like to say a few words about him, about the people of New Hampshire, and about the format of this program.

The first thing I want to say is that I believe Jimmy Carter's performance as a President has vindicated New Hampshire's judgment of him as a candidate.

We all know you've had some disappointments in your first year in office, Mr. President. Not everything you set out to do has been accomplished. But I think you should know this about the people up here. They are realists and they are fair-minded. They don't expect miracles from their Chief Executive, any more than they expect to agree with him on every point and every issue. What they do expect of their President is this: They expect him to love justice and to hate iniquity and to stand for the very best that is in us as a people.

You have met those expectations, Mr. President, and that's why my readings up here show that there is a wide and a deep reservoir of good feeling for you among the people. We like you, Jimmy Carter, and with all our hearts we want you to do well.

We are especially pleased to have you meet with us in the context of one of our honored traditions, the New England town meeting. Here in New Hampshire, we still believe that the town meeting offers the most democratic, direct, and ef-

fective means of conducting the course of government, because the decisionmaking process involves the entire community. Those decisions are made after the free and open exchange of views, and this is what we seek here today.

Now a word of explanation about the procedure we will follow. The President believes, and I share that belief, that we must do all that we can to encourage the involvement of young people in the process of government. With that in mind, he suggested that a representative cross-section of the high school students of New Hampshire be invited here today to ask questions and exchange views with the President of the United States.

More than 500 students were invited. And after his opening remarks, the President will respond to the questions they have prepared. That said, ladies and gentlemen, the President of the United States.

THE PRESIDENT. Thank you very much. It's good to be back in New Hampshire, back in Nashua. The first time I came here as a candidate, the crowd who met me was not quite so large as this. *[Laughter]*

We had a political rally in a small front living room, and there were a lot of empty seats that faced me that evening. But as I campaigned for months here in your State I not only made many dedicated friends who later gave me a victory in your crucial primary, I not only learned a lot about New Hampshire, your special attitudes and your special hopes and dreams, but it gave me in microcosm a good preview of what I was to face in the 29 other primaries that I entered in 1976.

Here is focused in an unprecedented, unequalled way, a sense of person-to-person campaigning. Your demands on candidates even for President are quite severe, because you want to know in detail stands on issues, personal characteristics, and the dedication that that candidate

has to win an ultimate victory in spite of tremendous, adverse odds.

The first time I came to New Hampshire was in 1974 to campaign with Norm D'Amours. We walked the streets and shook factory shift hands, and I learned then about the intense, personal commitment of New Hampshire people toward government.

You have very good political judgment. The election of Congressman D'Amours then, and again in '76, your long-time commitment to the superb leadership of Senator McIntyre, the recent election of John Durkin, and last but not particularly least, your support of me in 1976—thank you for it. I'm glad to be with you.

#### THE COAL STRIKE

Just before walking into this auditorium, I received a report from Washington that the coal mine operators and the coal miners are willing to continue their negotiations today. This is a very difficult negotiating process. It has broken down on several occasions, but the constant involvement of Secretary of Labor Marshall has been successful so far in at least continuing the discussions, the dialog, the probing for an agreement.

If no agreement is reached, it would be a severe blow to the miners themselves. It would be a severe blow to the coal mine operators and owners. It would be a severe blow to the collective bargaining process and, also, a severe blow to our country.

We hope and we pray that we can be successful. The prospects right now are not particularly encouraging. But we are dedicated to continuing that process to avoid much more serious intrusion into the free enterprise system by the Federal Government through various means.

So we will be continuing today and tomorrow, if necessary, these discussions. It's just a late news item in which I thought you might be interested.

I'd like to make a brief statement on an issue that is important to you here in New Hampshire and around the country, and then I'll start answering questions for roughly an hour and 15 minutes. I have heard through the grapevine that you've been carefully preparing your questions.

I don't know what any of them will be, but I'll try to do the best I can to be frank with you. Young people don't like evasion, they don't like equivocating, and I know that my own standard of performance as a President is going to be judged by you according to how well and how truthfully and how frankly and thoroughly I answer your questions.

#### FEDERAL CIVIL SERVICE REFORM

When I came to Washington, a little more than a year ago for the first time, I was surprised and pleased to find how good our Government was. But I'm still not satisfied, and I believe it can be better.

One of the ways it can be better is through Government reorganization and, specifically, through civil service reform. For more than half our Nation's history, the Government was changed almost entirely and completely from top to bottom, every time a new President went in office.

The party that won the election would kick out all the old officeholders and replace them with new ones—maybe or maybe not qualified—who were loyal to the victorious candidate for President.

A large part of every President's time and energy was spent just taking up personnel matters. Abraham Lincoln said that it was the most difficult thing that he had to contend with as President. This system inevitably led to government by favoritism, it led to corruption and incompetence. There was no room there

for evenhanded, highly professional, competent, professional managers, independent of either party.

Plenty of people know how bad the system was. But it took the tragic assassination of a President, James Garfield, by a disappointed officeseeker who had not been appointed, to provide the push that led to the creation of a professional civil service. This was done in 1883, when Chester Arthur was President. In the 95 years since then, the huge bulk of Federal officeholders have been professional civil servants. Only a few thousand jobs, much less than one percent, are still filled by Presidential appointment.

Creation of a permanent, professional civil service was a major Government reform. There's no question about that. And yet in some ways, that very system has become over the years an obstacle to what I want to see—the very best possible government for our country. The Federal civil service is still basically sound, but its machinery has grown old and complicated and rusty.

Too often nowadays, the system stifles individual initiative and protects the cozy jobs of even those within the system who don't do a good job. Too often, the length of time that the employed person has served is automatically rewarded, as if you were automatically promoted from one grade to another in school whether or not you passed any of the courses in which you were enrolled. No one is more frustrated by this situation than our thousands of hard-working, competent, and dedicated public servants themselves. I found this to be true on the State level when I was Governor of Georgia. People told me ahead of time that if I tried to reorganize the State government, the civil servants would be opposed. But by and large, I found to my surprise that they were the ones that wanted most to have

a good government in which they could do their life's work with effectiveness.

We need an improved civil service on the Federal level, a system that rewards those who serve well, disciplines those who are inefficient or incompetent or irresponsible, and gets rid of those who can't do their jobs well at all. We must restore the merit principle to the civil service. By early next month, I expect to announce full details of such a plan and submit it to Congress for approval. This plan will create stronger safeguards against the abuse of official power. It will reward merit, not just longevity. It will reduce redtape and delays. It will simplify and speed up the way we handle employee grievances and disciplinary actions. It will make it easier for women and for members of minority groups to get ahead or get fair treatment in the Federal Government. And it will allow every single department of your Government in Washington to meet the needs of the public with more efficiency.

I hope it will help us to make a government that people like you will want to work in, the best and the ablest young people in our country. If you should choose Government service—and I hope many of you will—I want you to find yourselves in a system that allows you to give our country your best.

Thank you very much. Now, I'd be glad to answer your questions.

## QUESTIONS

### MIDDLE EAST ARMS SALES

**Q.** I am Cass Spanos from Stevens High School in Claremont, New Hampshire. Mr. Carter, President Sadat of Egypt has shown a great deal of courage in initiating peace overtures in Israel. Do you think you have done anything to negate or to disrupt these negotiations by agreeing to send fighter planes to Egypt?

And further, do you feel that by taking this action the Israelis will be pressured into making more concessions with Egypt?

THE PRESIDENT. No, I don't. I have met already with Prime Minister Begin, personally, on two occasions, and he will be coming to our country next month on the 14th and 15th and 16th to meet with me again.

Every time I've ever met with him, either privately or within a small group, his first request has been to go ahead and approve or recommend to the Congress approval of the sale of very advanced fighter planes, the F-16's and F-15's, our best planes of all, to Israel.

The previous administration and I have promised our long-time friends and allies, the Saudi Arabians, to sell 60 F-15's to them. The Egyptian request was much more modest—to sell them the F-5E's, which is not a very advanced fighter plane. It's of fairly short range. And to be perfectly frank, in a combat situation, they would not be a match for the F-15's.

I thought it was proper and advisable and hope the Congress will approve the sale that I have advocated to the Israelis, the Saudi Arabians, and the Egyptians. It will not upset the balance of strength in the Middle East. I would say that the Israeli Air Force will still be the dominant and the most efficient and effective air force there by far.

One reason that I wanted to honor President Sadat's request is that a few years ago, Egypt was closely allied with the Soviet Union and was completely dependent upon Russia to give them their military weapons. Since then, Egypt has moved toward us, and now Sadat and I have the closest possible personal relationship, and Egypt is one of our own closest possible friends. So, we cannot leave Egypt defenseless.

I don't think there's any likelihood at all of a war between Egypt and Israel.

They're well on the way toward peace. But Egypt is still threatened by some of their neighbors. Libya has heavy shipments of arms coming in from the Soviet Union; Ethiopia, the same; Iraq, the same; Syria, the same; Algeria, the same. And Egypt has got to be able to defend themselves. The weapons that they did buy, years back, from the Soviet Union are now becoming obsolete.

And so I think this is a well-balanced package. It does contribute to a greater sense of security in the Middle East among our own friends and neighbors, and I think it also does not upset the balance of military power in the Middle East. I might close by saying this: I pledge myself each year while I'm in office to cut down on the volume of sales that we make to nations of this kind. And we will reduce our sales.

We've also begun to discuss this issue with other arms suppliers, not only France, Germany, Belgium, Britain, and so forth, but also the Soviet Union. And we hope that we can get a worldwide commitment to lessen or reduce the sale of those conventional weapons at the same time we work to reduce and then, hopefully, to eliminate nuclear weapons in the future.

Thank you very much.

#### TAX REDUCTIONS AND THE BUDGET

Q. Mr. President, my name is Ken Estey. I belong to Calvary Christian School in Derry, New Hampshire, and I live in Brookline, New Hampshire. My question is, during your campaign for the Presidency, you expressed a desire to balance the budget by 1981 and reduce the size of the Federal Government. How can this be accomplished in the light of the fact that you approved a budget of over \$500 billion, which is a sizable increase over the last budget?

THE PRESIDENT. The budget that I've recommended to the Congress has the



least increase in spending of any budget that has been produced in the last 4 or 5 years, only a 2-percent growth in the budget itself. Obviously, the programs that have already been approved by the Congress and by my predecessors in the White House have to be financed.

We had a substantial economic stimulus package that was passed in 1977. This has had very good benefits for our country and, in the long run, will pay rich dividends even in balancing the budget. For instance, in New England, just a year ago, the unemployment rate was 8½ percent. At the end of the year, the unemployment rate in New England had dropped to 5½ percent, a full 3-percent reduction in the unemployment rate.

This is because we were able to give about \$6 billion in tax reductions. We were able to provide jobs and training for young people and all those who were unemployed, and we were also able to give many other services to the people. These are temporary programs, but I will send to the Congress next week a recommendation that this \$13 billion investment in education and training for those who are unemployed will continue.

Obviously, the Government saves money in the long run by having a million people working and paying taxes than if they are on the welfare rolls or drawing unemployment compensation.

We could have had about a \$20 billion reduction in the amount of the deficit this year if I had not wanted to give a tax reduction. But I've advocated to the Congress reducing the net taxes on all our people by \$25 billion this year. Again, that's an investment in the future. I think the Government ought to cut down on the amount of money that we collect from people and then spend on Government programs.

I still am committed to do my best to balance the budget in 1981. And we'll

have a much less deficit next year than the budget that I just presented. Our projections now show that if the economy does stay strong, which it is at this moment, we still have an excellent chance to get the budget balanced. But we are holding down the growth in Government.

Tom McIntyre is the strongest advocate in the Senate of taking care of, for instance, small business leaders and giving tax reductions to them and cutting down on paperwork and unnecessary regulation by the Federal Government.

I think that we can make our free enterprise system work. And we are strong in moving toward the goals that I described to you during the campaign. We're making good progress. That progress will continue.

Thank you.

#### NATIONAL HEALTH CARE

**Q.** Mr. President, my name is Ann Sheahan from Dover High School in Dover. On June 12, 1976, you stated that our present national health care system is in need of drastic reorganization and that our Nation lacks a workable, efficient, and fair system of health care.

In your press conference on November 11, 1977, you said it was too early to lay down a schedule on the issue of a national health insurance. When will we see a schedule, and will the bill be introduced to Congress early enough for it to be acted upon?

**THE PRESIDENT.** Yes. I will present to the Congress an actual bill, after hearings all over the country and after congressional committees have hearings themselves, before the end of this congressional session.

One of the things that I have learned is that the Congress doesn't move as fast as I had anticipated. And one of the reasons is that certain committees in the House and Senate have extraordinary

responsibilities. For instance, in the Ways and Means Committee in the House and the Finance Committee in the Senate, they have responsibility for the economic stimulus package, for tax reform, for tax reduction, for the welfare system, for health care, plus the very important elements of energy and other matters. And there's a limit to how much they can consider at the same time.

So, this year they are working on energy. They're working on tax reduction and tax reform. They're working on welfare reform, and before the year is over, before they adjourn for next fall, they will have a completed bill recommended by me to them for a comprehensive nationwide health care system.

#### PRESIDENT'S RELIGIOUS BELIEFS

Q. Mr. President, my name is John Bryant, and I attend Conant High School in Jaffrey, New Hampshire. What I'd like to know is what do you think about the Bible prophesy in Isaiah 19, verses 23 and 24, apparently being fulfilled in our times, when Egypt and Syria will be aligning themselves with Israel in the last days? And in what way has being a born-again Christian affected your role as the President?

THE PRESIDENT. Very fine. I believe that one of the great, positive factors in eventually finding a resolution of the differences in the Middle East is the deep religious conviction of both Prime Minister Begin and President Sadat.

They and we, as Christians, worship the same God. Our religious beliefs differ in some degrees. But there's a special interrelationship between the Arabs in Egypt and the Jews in Israel.

They recognize Abraham as a common father of them all. And I think they understand, as you say, the prophecies in Isaiah as applying to both peoples, that

peace between Egypt and Israel is foreordained by God, and that they play a role in carrying out God's purposes.

The second part of your question about my being a born-again, devout Christian and how it's affected my public life is one that I've had to address many times. There was a great deal of doubt in the country when I began my campaign because I am a devout Christian.

I've never found that this interfered with my performance of duty as a Governor or as a candidate or as President of our country. I recognize very clearly the prohibition in the Constitution about an unwarranted intrusion of the state or the Government into religion or vice versa.

I worship daily. The last thing I do every evening is to have a private worship service with my wife. We never fail to do this. I pray frequently during the day. I seek God's guidance. I don't try to use the power and prestige of my office to cause other people to adopt the same faith that I happen to have.

I don't think this is contrary to the hopes or the expressed beliefs of our Founding Fathers. In the Constitution of the United States, we recognize God as the guiding leader of us all.

We leave people a right to either worship Him or not, or to worship whatever form of God they choose. But I found it very beneficial to me to have something in my life that never changes.

In the face of constantly changing political and military and economic circumstances, my religious faith doesn't change. And it's a stabilizing factor in my life. It binds me closer to the members of my family; it gives us something in common. And I believe and hope that our Nation's deep belief in God will be a stabilizing factor in generations ahead.

So I would say it's very good for me. Thank you.

Q. Thank you, Mr. President.

PRESIDENT'S CAMPAIGN PROMISES

Q. Mr. President, my name is Bryan Gifford. I'm from Concord, New Hampshire, and I represent Concord High School. After reading several evaluations of your first year in office, one underlying point that I seem to notice throughout all of them was that you may have promised a bit too much during your Presidential campaign. You said, quote, on December 28, 1977: "I think my biggest mistake has been inadvertently building my expectations too high." My question then, sir, is looking back on your first year in office and in light of this, what are you looking forward to in this coming year?

THE PRESIDENT. Well, let me say that I still stand by all my campaign promises. There are two factors that made me make that statement. It was the night before I left on my around-the-world trip. One was that, as I've described earlier about the national health program, that the Congress can only deal with so many issues simultaneously because, quite often, one or two committees in the Congress have to handle a series, a wide range of issues, and the Congress has simply moved slower than I had anticipated.

The energy question is one. We've never had a national energy policy. And I proposed an energy policy on April 20 last year. The House of Representatives passed my proposal, basically intact, before the recess in August. The Senate later passed a completely different version of an energy policy. And since the late fall, the House and Senate conferees have been trying to resolve their differences, so far unsuccessfully.

We haven't given up hope there. This is an issue that's been before the Congress for more than 30 years. The first natural gas deregulation bill was vetoed by Harry Truman, I think, in 1950. So we are dealing there with an issue that's almost the

most difficult domestic issue that the Congress could possibly face. We're both a major oil producer—one of the greatest producers of oil in the world; we are also the greatest consumer of oil in the world. And those conflicts are slow to be resolved.

The same thing applies to many other issues. We've made our proposals to the Congress, and I don't think we've proposed too much.

The other point I'd like to make is that when I made those promises to the American voters, I never said that I would accomplish everything the first year. I've only been in office 13 months, and I've about 3 more years to go. And there has been some patience exhibited by the American electorate and also by the news media, but when you get to the end of the first 12 months and say that you haven't done everything that you promised to do in 4 years, that's not a fair way to measure what I and the Congress have been able to do together. There's a very good sense of partnership and mutual responsibility now that exists between the White House and the Capitol Hill Members of Congress. And I think this has not been the case in the past.

So I'll stand behind my campaign promises. I think the American people have to realize the difficulty of some of these issues, be patient with me and the Congress, recognize what we have accomplished, and I'll be much more careful in the future about the rate of recommendations to the Congress to accommodate their very careful, very beneficial process for passing major legislation.

Thank you.

STANSFIELD TURNER

Q. Good morning, Mr. President. I'm David Carle from Contoocook Valley Regional High School in Peterborough. The CIA has been run by a civilian all its his-

tory, except for at its birth and now. Why do you have Stansfield Turner, a military man, running the CIA, with all of his ties to the Pentagon?

THE PRESIDENT. The legislation that originally established the CIA specifically authorized the leadership of either military officers or civilians. The only prohibition is that both of the top two people cannot be military officers. Stan Turner is one of the most competent and brilliant and forceful leaders I have ever known. He happens, coincidentally, to have been a classmate of mine at Annapolis. I never knew him then personally. He was so far above me in academics and in leadership that I just admired him from a distance. He was a star football player. He was the top officer in the Naval Academy Brigade of Midshipmen, and he was right at the top in our class.

He was a Rhodes Scholar afterwards and had a brilliant career in the Navy. He was one of the first members of my class who ever made admiral and then made four-stripe admiral. He was the leader, a president of a Navy War College in Rhode Island, and completely transformed a relatively dormant organization into one that is vibrant and aggressive and very beneficial now to the Navy, to the Armed Forces, and to our country.

Because of those reasons, after considering many people, I thought that Stan Turner was the best person to lead the intelligence community. I still think so.

As you know, by far the majority of total employees involved in the collection and collation, dissemination of intelligence are in the military. They collect information on a tactical basis that's used every day by me, the State Department, and by the Secretary of Defense and others.

And so far, I am completely and totally satisfied and pleased with the performance of Admiral Turner. He obvi-

ously has a very difficult and sensitive job to perform. The CIA had very low morale when he came there. Its trust by the American people had been damaged because of the revelations of past illegalities. And he's worked closely with me, with the Intelligence Committee in the Senate, the new committee in the House, to evolve a structure for the entire intelligence community which gives him a much more important job than he had in the past.

Now we have what we call a tasking committee to decide what the major responsibilities of collection and dissemination of intelligence information are. He'll be in charge of the whole thing now. He'll be in charge of the entire intelligence community budget, both that in the CIA and that in the military as well. So, because of the recognition of his good leadership qualities in the past and since he's been head of the CIA, there's no doubt in my mind that he is the right man for the job.

Thank you.

#### NUCLEAR POWERPLANTS

Q. Mr. President, my name is Karen Thompson. I'm from Epping High School. And I'd like to know, do you feel that the design of the plants like the Seabrook nuclear plant sufficiently protect the resources of the ocean?

THE PRESIDENT. Karen—is that right?

Q. Yes.

THE PRESIDENT. As you know, the Federal courts and State courts have been involved in the Seabrook plant discussion for, I think, about 3 years. At this point, all the Federal agencies have determined that there is no prohibition against proceeding with the Seabrook plant.

They don't have a license yet from the Nuclear Regulatory Commission, but I think that's a likely prospect. In the last

few hours, there's been another court ruling issued that temporarily delays the issuing of that license.

My own background in graduate school is as a scientist, in the early stages of nuclear power development and use for peaceful purposes.

While I was Governor, I approved the construction of a major nuclear powerplant in Georgia and approved another one that has not yet been built. I think there's a legitimate place in our country for nuclear power. The environmental considerations that have been the major obstacle at the Seabrook site is a matter to be resolved by the people who live here in this State and by the Federal courts that provide a voice for people who are dissatisfied. As far as the technical elements that are under my own responsibility, directly or indirectly, the Seabrook powerplant design meets those requirements.

New England, as you know, is heavily dependent on uncertain supplies of energy. In this whole region, you rely in an extraordinary way on imported oil. Georgia produces 85 percent of its electric power from coal, and we import very little oil. I think that there needs to be a coordinated approach here in this New England area, in New Hampshire, to make sure that offshore oil drilling is permitted, that oil can be imported and coal can be imported without delay, and that nuclear power can be produced.

Whether or not the Seabrook plant is the best site for a nuclear powerplant, I can't decide that, and I don't have the authority nor the desire to do so. Some States, as you know, through referenda or through action by the State legislatures, have put very tight constraints on the location of powerplants and whether or not they could be built at all. In some

States, it's illegal now to build a nuclear powerplant at all.

I think the nuclear powerplants are safe. There has never been and cannot possibly be an explosion of a nuclear powerplant. It's physically impossible. And the safety record there among nuclear powerplants is far superior to the safety record of powerplants that are fueled by oil or by coal.

So, I think that we have a problem concerning environmental quality, the protection of your beach or seashore areas, that addresses itself to the people here with an ultimate voice in the Federal courts. Technically, though, the Seabrook plant is qualified. And I think there is a legitimate role in the future as there is in the present for nuclear power.

My first preference is for permanent energy sources, like solar energy. The foremost proponent of solar energy in the Congress is Tom McIntyre.

Wood is a major, replenishable supply of energy that's growing by leaps and bounds in its use in New England and also in my own State of Georgia, where two-thirds of the State is covered by forests. We have wind power that can be introduced, a form of solar power, as you know.

You have tremendous tides up here and ocean current gradients that can be used in the future. Domestic oil and natural gas need to be distributed here. The new energy proposal will help you get natural gas on the same price level as exists in other parts of the country, which will be quite a change for the better. We hope to increase the production of coal.

But after all those possibilities are explored and exploited, there is still a need in the foreseeable future for nuclear power. And I think New England is one of the areas of our country that needs nuclear power perhaps better than some others.

So, that describes as best I can my attitude on the subject. If the courts rule that the people's interests are being met by continuation of the Seabrook plant, in spite of my own record as a very devout environmentalist, as President, I would approve its construction.

Thank you.

#### AFRICA

**Q.** Mr. President, I am David Young from Fall Mountain Regional High School in Alstead, New Hampshire. My question to you is this: The Soviet Union and Cuba are supplying Communist influences in south African nations with arms, technical assistance, and troops. Why is the United States not being a political and military leader and just being a political liaison?

**THE PRESIDENT.** Well, as you probably know, up until just recently, our country played no significant role at all in Africa. Since I've been in office, we have greatly increased our interest, involvement, and influence in Africa—southern Africa, to which you refer, and also the rest of the continent.

I would say that on the West Coast of Africa or among the black nations, the most heavily populated, the most powerful, the most influential, perhaps the richest, is Nigeria.

Earlier, when Secretary Henry Kissinger tried to go to Nigeria for a visit, they refused to permit him even to come into their country. Because of the superb leadership of Andrew Young and his trust throughout the continent of Africa, we now have a very good friendship with Nigeria.

During the Easter recess of the Congress, I intend to go to Nigeria, to Lagos, to meet with the leaders there. We have formed with the British, French, Germans, Canadians, a five-nation bargaining committee who are now working between

the Southwest Africa People's Organization—we call it SWAPO—and the South Africans to resolve the questions in Namibia.

Just this past week—this week, as a matter of fact, Cy Vance, our Secretary of State, was in New York at the United Nations meeting with the Foreign Minister of South Africa and the leader of the SWAPO organization to try to provide majority rule in the territory in the southern and western part, formerly known as Southwest Africa.

In Rhodesia, again, we have joined with the British, who legally still have responsibility for Rhodesia, to bring about a resolution of those differences—a peaceful resolution of those differences—based on majority rule, based on the right of any person more than 18 years old to vote to choose the leaders who present themselves in a free, open, and democratic election, to try to assuage the legitimate demands of the blacks who live there under the domination of a very small group of whites.

We look upon South Africa and their form of apartheid as completely contrary to the principles that Americans have always espoused. The only American leader that I know who's endorsed, in effect, apartheid and condoned or approved the attitude of the South African Government is your own Governor here in New Hampshire.

But there is a growing realization throughout Africa, I believe, that the United States is a strong and formidable force. I might say that we have not been successful in Angola. There is a government there headed by Mr. Neto, who is not a friend of ours. There is still a guerrilla movement there under the leadership of a man named Savimbe, who still struggles for ultimate power in Angola. He is supported by several of the European nations, directly or indirectly.

But I don't know of any instance in South Africa in the last 2 years where our own influence has not been increasing. I know of no place where it has been decreasing. And we've tried to spread our influence not on the basis of military intervention as a single nation, but we've tried to bring in other leaders both in Africa and the black nations, the Organization of African Unity, and the European nations and Canada, to join with us to bring about a peaceful progress of majority rule, independence, and democracy in South Africa, and to minimize the influence of the Soviet Union and Cuba, which was increasing very rapidly up until a year ago.

Q. Thank you, Mr. President.

THE PRESIDENT. Thank you.

#### STANDARDS OF GOVERNMENT

Q. Good morning, Mr. President. I hope you enjoy your visit in our State. My name is Keith White. I attend Manchester West High School. I live in Bedford.

Your position as a Christian was probably a very major element in your winning campaign. I'm curious, what do you think the Government's responsibility to the spiritual and moral development of its people should be? What do you think it is? And since you have been President, how have you tried to meet that responsibility? I think this is a very pertinent question to the youth here, because in our times, there is a great deal of misleading forces in the world.

THE PRESIDENT. Keith, that's a good question, and I'm glad you referred to youth. I think if there is one group in our Nation who is the most alienated and disillusioned when public officials do not exemplify decency and morality and humanity and sensitivity and compassion, it's young people. You've been in the forefront, you and others who are now older

who were your age, of trying to restore morality to our country within our Nation and on international affairs.

When we were struggling in this country to give black people and other minority groups equal treatment under the Constitution—the simple right to vote, to go to school, to have a job, to own a home—young people were the ones who were courageous enough to endanger their physical health or even lives to strive for an unpopular cause.

When our Nation was involved in the war in Vietnam, the ones who first spoke out and said, "This is a war that's not compatible with the principles of America" were young people. At first it was a tiny group. Then it grew and grew, primarily through people your age or perhaps college age. And eventually the older people, the parents said, "Well, maybe my child is right." And ultimately, we withdrew from Vietnam because of the influence in young people demanding that our country stand for the same principles on which it was founded and which made it great.

I sensed, as I campaigned throughout this country for 2 years, that there was a frustrated feeling and a sense of despair and even embarrassment about some of the things that had been happening in Washington: the Watergate revelations, the breakdown in compatibility and partnership between the President and the Congress, the constant blaming of one another for mistakes that were honestly made, the revelations about illegalities in the CIA, and involvement in the Vietnam war, as well.

And I think that we felt that on an international basis, that our country had abandoned those principles. We espoused any sort of totalitarian dictatorship if it furthered our own interests temporarily in different parts of the world. And we forgot about trying to spread what we

stand for among the other nations of the world.

In my own acceptance speech at the Democratic National Convention, in my inauguration speech, I promised the American people that when I was President that the principle of human rights would again be raised as a banner behind which American people could rally and of which American people would again be proud.

And this is what we have tried to do. It's a difficult and sensitive issue, because it's easy to say you're for human rights but it's difficult to force other nations over whom you have no control to honor the principles of human rights. We've made very good progress.

I welcomed the new Ambassador, for instance, the other day, from Indonesia. This past winter, this winter, I think in December, Indonesia released 10,000 political prisoners. Some of the countries in South America who have been dominated by military dictatorships have now committed themselves to have democratic elections.

I don't believe there's a single leader in a country in the world who doesn't think frequently, or even constantly, about the question of human rights: "How is the world going to judge me in how I treat the citizens who are ruled by my administration?" We've made good progress already. But I think the restoration of that decency and common sense and humanity and morality to our own Government is the only thing that can hold us together.

And when you think back through history, even the most unpopular Presidents now are the ones that are identified as being the greatest. And they were the ones that made difficult decisions based on the principles of religion that you described. Abraham Lincoln was probably excoriated or criticized most by the press of al-

most any President who ever served, but he did what he thought was right. Harry Truman's popularity went down to 23 percent—the lowest that any President has ever had—but he did it because he thought it was right to begin giving black people a chance to have equal treatment in the Armed Forces, not popular in the South.

He wanted to restore Europe with a great financial aid that came from the taxpayers' pockets in this country, not a popular thing at all. He gave aid to Turkey and Greece. He organized the United Nations. And now, I think it's generally accepted that Harry Truman is one of our great Presidents.

I don't consider that they were great because of something within them, and the same thing applies to me. But I think the greatness comes from accurately exemplifying, in the White House, the highest principles of the American people. And the demands that you make, the direct involvement that you have as young people in government, will help to restore those standards, make them more rigid and more demanding. And I think whether or not an incumbent officeholder is a mayor or a Governor or a Senator or a President, Democratic or Republican, that you ought to demand the utmost in ethics, integrity, and morality from them. If they don't measure up to your standards, I hope you'll work as hard as you can to put somebody else in office.

Q. Thank you, Mr. President.

THE PRESIDENT. Thank you.

#### NATIONAL ENERGY PLAN

Q. Good morning, Mr. President, and welcome to New Hampshire. My name is Carol Ann Mongeon, and I'm from Newmarket, New Hampshire, and I go to Newmarket High School. My question is, Mr. President, do you feel that in 1978 an



adequate energy program will be passed, and if so, could you please explain why?

THE PRESIDENT. Yes, I believe that an adequate energy program will be passed. I've described earlier the difficulty of it and the intense lobbying that is going on constantly on Capitol Hill.

The oil companies have enjoyed a position of privilege in our country for too long. We've not had a fair distribution of natural gas or oil throughout our country. There have been wide variations in price, which prevents the natural gas companies from wanting to send that fuel to New England. Your fuel costs in this region are about 45 percent higher, on the average, than the rest of the country. And if, for instance, a large conglomerate corporation has 10 different factories and they have a drop-off in sales of, say, 10 percent, and they have to close down one of those factories, and all other things are equal as far as competence of labor and wage rates and so forth, but energy costs are 45 percent higher, then you labor at a disadvantage in trying to keep the job opportunities here in your region of the country.

There's another problem in that we have not adequately addressed research and development and a spreading of our use of energy to other sources that are more plentiful or even renewable. That's got to change.

I think we're becoming more and more aware that our whole economy is dampened because we import now, last year, \$45 billion worth of oil from overseas. It makes us vulnerable to interruption of those sources.

We need to emphasize conservation, to start building and repairing homes, to get more savings in the rapidly increasing price and cost of energy.

So, in research and development, increasing production of oil and gas and

coal in our own country, fairer distributions, more equitable cost or prices, the increase in the security of our country by reducing the threat of interruptions of supplies—all those things combined together are part of our energy package. And the need is so urgent that I sincerely believe that the Congress will successfully resolve this issue. And those are the reasons that I believe so.

But in the confusion with television advertisements and so forth, quite often American people don't get aroused to demand from their Members of Congress that they take immediate action. In the meantime, the oil companies and others are aroused and their lobbyists are working day and night. And quite often, a doubtful Member of Congress only hears one side of the question.

So, I hope that you and all your friends will let your Members of Congress know how important this is. The Democratic Congressmen and Senators have been very helpful in areas that don't produce oil and natural gas. Some of them even in the oil-producing States are now seeing the need and the advisability in the long run to pass an energy package. So, I just hope that we can get this done before we have crises that really hurt us to demonstrate how serious the need is. So, those are the reasons that I think an energy bill ought to be passed. Those are also the same reasons that I think the Congress will pass one.

Q. Thank you very much, Mr. President.

THE PRESIDENT. Thank you, Carol Ann.

#### PANAMA CANAL TREATIES

Q. Mr. President, my name is Dean Eggert. I represent Lebanon High School and live in the city of Lebanon. Do you feel that the recently proposed changes and amendments to the suggested Pan-

ama Canal Treaty are necessary, and if so, would you please tell us why?

THE PRESIDENT. The Panama Canal treaties have been under negotiation now for more than 14 years. These treaties were originally signed in the early part of this century, between the United States and a Frenchman who benefited greatly from the treaties themselves.

No Panamanian ever saw that treaty before it was signed, and no Panamanian has ever signed the treaty either. We are not ashamed of having signed that treaty or built the canal. It's a source of great pride to me, as President, to know that American engineers were able to bring the canal into being. It's been helpful to our own country, to Panama, and to the rest of the world.

Those people have known in Panama that the terms of the treaty were not fair to them. As a matter of fact, Theodore Roosevelt, who was then the President, Secretary Hay, who was Secretary of State, said publicly, "These treaties are highly favorable to the United States. They are not favorable to Panama."

Over that whole 75-year period, the Panamanian people have been expressing their displeasure. And back 14 years ago, when President Johnson was in office, there were outbreaks of violence in Panama by dissident groups who wanted to have control of their own territory and a stronger voice in the operation of the canal.

The canal is important to our country. Our security, our economic well-being is dependent upon a continued operation of the Panama Canal that we can use. We have never had sovereignty over the Panama Canal Zone itself. That has always been under the sovereignty of Panama. We've paid them rent on that zone every year from the very beginning, beginning with \$250,000 and increasing as we've gone on. This is an issue that I think is

very important. It's obviously of crucial importance here in New Hampshire.

We have to get, as you know, a two-thirds vote in the Senate. There is no political benefit to be derived by me or any Member of the Senate in voting for the canal treaties themselves.

I think the canal treaties negotiated are good. I think they are better for our own country—[*applause*]. Thank you. They're better for our own country. They're better for Panama. They preserve our permanent right to use the canal. They preserve our permanent right to defend the canal. They preserve our permanent right to go to the head of the line and use the canal expeditiously if our warships need to do so.

And I hope and I believe that the Senate, in a great demonstration of patriotism and courage, will ratify the Panama Canal treaties.

Thank you. [*Applause*] That made my trip worthwhile. Thank you.

#### PRESIDENT'S RELIGIOUS BELIEFS

Q. Mr. President, my name is Bruce Prevost. I attend Hillsboro Deering High School in Hillsboro. You've mentioned in two previous questions your sincere beliefs in the Bible and God. And in relation to this—and in the Old Testament it mentions many times where God has called the nation to repentance for their immoral actions and things they have done.

And I would like to know, do you feel you are in a position to do this before the American people and before God, and would you do it?

THE PRESIDENT. Well, my own religious faith is one that's much more personal. I feel that we have a direct access to God through prayer and that repentance is a personal thing. I don't believe that it's my responsibility to repent before God for what our Nation has done in the past or may do even while I'm in the

White House. I think that's something that has to be initiated and carried out by individual Americans.

Obviously, if I see a sinful act or an improper or heartless act being carried out by our Nation in the past or present or future, it's my responsibility as President to stop that action and to condone through action, for inequities or suffering that has been caused by it.

So, I don't know any better way to describe the question than that. I don't consider myself to be the spiritual leader of this country. I'm the political leader. I have a right, I think, and a duty to be frank with the American people about my own belief. And I'm not a priest nor a bishop nor someone who, you know, fills a religious pulpit and is authorized nor asked to repent for the whole country.

I've answered your question in a fumbling way. But that's the way I feel about it. And I recognize my own personal shortcomings and sinfulness. I do ask God to forgive me. I try to do better. And I think that the American people, whether they are religious or not, have the same strong inclination to correct deficiencies, to repair wrongs, to turn ourselves in a much closer way, personally and collectively, to exemplify the highest possible moral principles on which our Nation has been so great.

Q. Thank you, Mr. President.

#### THE COAL STRIKE

Q. Mr. President, my name is Jim Evans, and I attend Nashua High School. My question concerns the coal strike, and you talked about the negotiations currently going on. But what if they don't reach an agreement? Will you invoke the Taft-Hartley Act and, if so, when? Do you have like a deadline set in your mind at all?

THE PRESIDENT. Well, let me say that if any such action should be required in the future, an action by Congress or an invoking of the Taft-Hartley Act, it would be a major loss for our country. It would hurt me as President. It would hurt the mine owners and the mineworkers. It would hurt the status of the United Mine Workers union, which is already on shaky grounds because of divisions and intensely fought recent elections. It would hurt the entire bargaining process, where working people have a right to negotiate with their employers for fair working conditions.

There is also a history among mine-workers of intense independence and an aversion to the intrusion of the Federal Government into their own lives.

Obviously, as President, I cannot permit the country to suffer from a delay in negotiations. Last night, we were at the point of narrowing down the issues between the owners and the workers to a very few but important points.

The way the negotiations are taking place is that there is a negotiating team or committee representing the workers, that's nine people. The employers have a negotiating team of their own. And there is a so-called bargaining council of 39 people representing the workers.

We brought all of those now together in the same building, the Labor building, and the Secretary of Labor moves from one group to another. They are quite often separated from one another in different rooms, caucusing. And he tries to explore some common ground on which they might agree.

The dissatisfaction with the present proposal is lessening. But there are some hard and firm positions that are difficult to change. So, we will continue, and so far successfully, to get the leaders of the workers and owners to continue to negotiate. And progress has been made. I can't predict success.

I'll be back in Washington this afternoon about 2:00 or 2:30, and on the way back on Air Force One, I'll get a telephone call from the Secretary of Labor describing to me what the current situation is then. We'll decide our own strategy, try to keep the parties involved in Washington. I will intercede personally, if necessary. It may be necessary for the Secretary of Labor to evolve a proposal that could be presented to both sides as his own. We don't know that yet.

But it's very doubtful, if the Taft-Hartley law is invoked, that the Federal courts could force miners to go in those deep mines and work. And then you are faced with the proposition of law enforcement officers on one hand and miners on the other, and possible violence, incarceration of the workers, continued loss in their salaries, no restoration of their pension funds, no restoration of their health care benefits, the mine operators losing money every day, the country suffering. And I don't want to face that prospect and neither do the miners or owners.

But if I have to, of course I will take such drastic action if the entire collective bargaining process breaks down. I don't want to predict that yet, because I still have confidence that the miners and owners and I and the country want to have the situation settled through collective bargaining. But that's always a possibility that's on my shoulders as a responsibility, and of course, I would not avoid it if I have to take that action.

Q. Thank you, Mr. President.

THE PRESIDENT. Thank you.

#### FOREIGN ASSISTANCE

Q. Mr. President, my name is Susan Bachelder. I'm from Pittsfield High School in Pittsfield. I just want to know, we are sending billions of dollars to help poor countries to feed their people. And I

was wondering why we don't send food to help the nations instead of money, and this way we could get rid of some of the surplus food that we have that is making the farmers get such low prices for their produce.

THE PRESIDENT. Very good. For a number of years, we've had what is known as Public Law 480, which permits the transfer of food and feed grain products from our country directly to people who are hungry. We are expanding that program now, and both the Senators behind me on the platform are strong supporters of that particular aspect of our foreign aid program.

In other areas, we make long-term loans to countries to permit them to buy our own products, food and other products as well, which tends to keep American workers employed and increases our exports of goods produced in this country.

The amount of actual cash money that's given to another country is very, very small compared to those other programs that I've described to you. We have a mixture in our foreign aid program of that kind of humanitarian support—food, feed grains, loans, economic aid to let them build electropower dams, irrigation projects, highways, hospitals, schools—and the hard loans, so-called, where they have to repay just as firmly and with substantial interest payments as if your parents or you borrowed from a bank.

But we are expanding the very aspect of food distribution that you've described. That's an excellent thought that came from you, and I think it shows very good thinking.

We've now got substantial surpluses on hand of soybeans, corn and other feed grains, and wheat, for making food. This is an excellent idea that you've described. It's one on which we are already moving. And I think it's a much better way to

distribute aid than the loans in the past. I have said often during the campaign that I'm not in favor of collecting taxes from the poor people in our rich country and giving that money to the rich people in the poor countries. And that's what we're trying to do in Government now.

Thank you very much.

#### EDUCATION

Q. Good morning, Mr. President. My name is Anne Mary Dulski, and I am from Mount St. Mary's Seminary here in Nashua. I'd like to know why do you propose to establish a separate department of education, and would this mean that there would be more Federal controls on education in the future?

THE PRESIDENT. I am not, under any circumstances, willing to see the Federal Government have more control over colleges, high schools, grammar schools, kindergartens, or any other aspect of public education or private education in our Nation. The reason for advocating a separate department of education has nothing to do with control.

When I was Governor of Georgia, I spent about 25 percent of my time trying to have a better education system in our State. It was a constant challenge for me, and I was constantly involved in it, working with the State administrators in education, the classroom teachers, PTA groups, and others.

When I became President, I was deeply concerned about the quality of education in our country. We spend enormous sums of money. We have, in many instances, young people who graduate from high school who can't read and write. They know very little about the political structure of our own Government. They know very little about the principles on which our Nation was founded.

Too many students who have an undetected problem at the third or fourth grade level are automatically promoted to the fifth, sixth, seventh, and eighth grade not being able to read and write. They obviously can't learn other subjects. And I just feel that there are many ways in which the Federal Government can work more closely and in harmony with the State, local governments and private institutions to give education a boost.

I haven't spent a half of 1 percent of my time since I've been President dealing with education issues. It rarely comes up in my weekly Cabinet meetings. When it does, it involves something concerning the Civil Rights Act or some legal aspect of education.

Twice, now, since I've been President, we've had all the State school superintendents come into Washington. The last time they met with me for an extended meeting at the White House, in the White House Mansion itself, to try to get some way where we could have a cutting down of paperwork requirements and a much more active and accurate way to channel available Federal funds into our education system.

I don't think we'll ever have the visibility for education, I don't ever think we'll have the personal involvement of the President and the Secretary at the Cabinet level in education to promote its good points, to correct its deficiencies, as long as we have the department of education buried underneath health and welfare. I just think it needs to be separate.

Thank you.

I might say that there has been already introduced in the Senate, in the Government Operations Committee under Senator Ribicoff, a bill that would establish a separate department, and we will not introduce a separate piece of legislation. We will add our support politically from the White House and administration to the

legislation already being considered by the Congress.

PRESIDENT'S PARTICIPATION IN TOWN  
MEETINGS

Q. Good morning, Mr. President.

THE PRESIDENT. Good morning.

Q. My name is Susan Zaremski from Winnacunnet High School in Hampton, New Hampshire. And I was wondering, how seriously are you really going to take our questions and concerns said today?

THE PRESIDENT. I have only one profession that completely occupies my life, and that is to be a good President of the United States. And one of the constant fears that I have is that I will act in a way, as President, that's incompatible with and contrary to the concerns and hopes and dreams and aspirations of the American people.

This is the fourth or fifth townhall-type meeting that I've had. I have no idea ahead of time what questions will be asked me. There's no way that I can brief myself before I come in here, predicting what your questions will be. And I have no influence nor do I want to have any on what you ask me. But I presume that after an hour and a half of this kind, when I analyze what the questions are, that fairly well represents what your interests might be here in New Hampshire.

I had a similar meeting, as you know, last night in Maine. I've had other ones in Mississippi; another one in Massachusetts. And I listen very carefully. The tone of the questions and the response of the audience is of profound importance to me and has a great effect on me. So, I don't know of any better way to get the sense of our Nation than to listen to your questions and to observe your reactions.

There is no possible way that you could affect the future deliberations of a President any better than through this kind of forum. So, I would say that your effect on me has been and will be very profound.

Q. Thank you, Mr. President.

GOVERNOR MELDRIM THOMSON, JR.

Q. Good morning, Mr. President. I'm Joseph Danko from Merrimack Valley High School in Penacook, New Hampshire. Two questions: How do you feel about Governor Thomson's recent trip to South Africa? Do you agree with his statements dealing with equal rights?

THE PRESIDENT. Well, he has a right to go to South Africa.

You know, I told you I was going to be candid with you. There are very few things on which your Governor and I agree. [Laughter] And specifically, his comments during and after his trip to South Africa, in my opinion, are completely contrary to what this country stands for. But at the same time, one of the things that this country stands for is the right of free speech. And he has just as much of a right to express his opinion as do I.

TUITION TAX CREDITS

Q. Good morning, Mr. President. My name is Beth Loy, and I represent Timberlane High School in Plaistow, New Hampshire. The tax break of \$250 for college students is such a ridiculously low figure compared to the total cost of about \$4,000 for a college year. How was this figure arrived at?

THE PRESIDENT. I don't advocate a tax credit as a means to help finance college education for the middle-income families. On the contrary, what we have pro-

posed, and what I hope the Congress will approve, is a combination of direct grants to students whose families have a moderate or low income, loans to students in the low-, moderate-, and middle-income group, and work-study programs, where the student can receive part-time employment to help finance college education.

We will increase throughout our country the number of students who can participate in these loans by 2 million, which is about, almost, a 50-percent increase at one time, if my own proposals are put forward. They are much more narrowly focused on the student who actually needs help, and they are much less costly to the Federal Government than giving a tax credit. So, I do not favor the tax credit proposal. I think it's ill-advised. I think the combination of the grants, loans, and student work programs are a much better approach. And I will try very hard to get the Congress to approve those this year.

Q. Thank you, Mr. President.

THE PRESIDENT. Thank you.

#### PANAMA CANAL TREATIES

Q. Mr. President, my name is Donna Schroeder, and I am representing the Presentation of Mary Academy in Hudson. My question for you this morning is what action would the United States take if we sign the treaties and, once the Panamanians have control of the canal, they close the canal to our use?

THE PRESIDENT. This will have to be the last question.

There is no possibility of that. The Panamanian people would be much more inclined to want to keep the canal open if the treaties are approved than if they are disapproved, regardless of what the Panamanian Government wants. Even though they have been dissatisfied with the terms of the present treaty, they recognize that keeping the canal open is an

important economic consideration for them.

We want the canal to stay open, but it's crucial to the Panamanians. The treaties specifically say that the canal will be kept open and available for use to ships of all countries. And if a need or emergency should arise, our own ships, our warships, could go to the head of the line, ahead of any ships, and go through the canal expeditiously.

We retain the right to defend the canal during this century and forever. And if the Panamanians should close the canal, I would take whatever action is necessary to protect the canal and to keep it open.

Let me say in closing that this has been a very good experience for me, and I hope it's been beneficial to you as well. The national news media will send actually around the world the substance of your questions and the substance of my answers.

I've never claimed to know all the answers. I have very good partnership with John Durkin and with Tom McIntyre, with Members of the Congress and the Senate, and I believe I also have a good partnership with the people of America. And I hope that you will join me in being obviously and openly critical of the defects in our political system.

But I hope you'll be equally determined to point out to each other and to the world the fine aspects of our free enterprise system, the soundness of our Constitution and the principles on which our country was founded, and remind each other and the rest of the world that you and I still live in the greatest country on Earth.

Thank you very much.

NOTE: The President spoke at 10:30 a.m. in the gymnasium at the Nashua Senior High School.

## Energy Emergency in Kentucky

*Statement by the President.  
February 18, 1978*

Based on a petition submitted to me by the Governor of the State of Kentucky, pursuant to Section 110(f) of the Clean Air Act, I hereby determine that a regional energy emergency exists in the State of Kentucky of such severity that a temporary suspension of certain particulate and sulfur dioxide control regulations under the Kentucky Air Quality Implementation Plan may be necessary, and that other means of responding to the energy emergency may be inadequate. This determination shall be effective for not more than thirty (30) days, provided that the State of Kentucky shall hold the public hearing required by Section 110(f) of the Clean Air Act within 1 week of this determination. If, during the period of suspension, I find that a regional energy emergency no longer exists in Kentucky, I will direct that this determination of regional energy emergency be rescinded and that all suspension orders issued by the Governor be terminated effective on the day of that rescission. The Administrator of the Environmental Protection Agency retains full authority to disapprove temporary suspensions of regulations in Kentucky and to exercise his emergency powers authority under Section 303 of the Clean Air Act, when and if necessary.

I urge the Governor to act with due care if he suspends air pollution regulations under the authority provided by this determination, since such regulations are important to protect public health. In conducting hearings and making findings, I urge the Governor to carefully consider that suspensions which would allow a facility to burn available fuel which could not otherwise be utilized are generally appropriate. On the other hand, suspensions which permit facilities to turn off

pollution control devices should be used sparingly and as a last resort, because such suspensions will accomplish only small energy savings while increasing risks to public health.

I also urge the Governor to implement fully necessary energy conservation measures so that the necessity for suspension of pollution control regulations can be minimized.

NOTE: The statement was released on February 19.

The Presidential determination of February 18 is printed in the *FEDERAL REGISTER* of March 24, 1978.

## Amendment to the National Forest Management Act of 1976

*Statement on Signing S. 1360 Into Law.  
February 20, 1978*

I have today approved the enrolled bill S. 1360 because it provides the Secretary of Agriculture broad flexibility in determining bidding methods to be used in the sale of National Forest timber. The bill directs the Secretary to take such measures as he deems appropriate to:

- ensure open and fair competition,
- ensure that the Federal Government receives not less than the appraised value of such timber,
- consider the economic stability of communities or such other objectives as he deems necessary, and
- be consistent with the objectives of other Federal statutes.

I endorse this direction.

The administration had opposed legislation to amend the 1976 law in order to permit enough time to evaluate the effects of the revised regulation governing the sale of National Forest timber that went into effect on June 2, 1977.

I have approved the bill since it is clear that the Secretary retains full discretion to adopt bidding regulations for National



Forest timber which he determines to be in the public interest. It is also clear that he may test alternative bidding methods or prescribe changes in bidding methods from time to time to meet overall public objectives.

NOTE: As enacted, S. 1360 is Public Law 95-233, approved February 20.

## Wilmington, Delaware

*Remarks at a Fundraising Dinner for Senator Joseph R. Biden, Jr. February 20, 1978*

It's a real delight for me to come back to the first State in the Nation and to campaign and to express my appreciation to people who support the first United States Senator who had confidence in me. He's a man who's not afraid to take on a difficult task and even a hopeless task. He and Frank <sup>1</sup> came down to Atlanta, the first time I met Joe Biden, in 1974, to speak to a State Jaycee convention. And we had a chance to talk for several hours at the Governor's mansion.

I felt a little bit ill at ease. I thought that Joe should have been talking to my children instead of to me. [*Laughter*] He's about my oldest son's age. But I sat and listened to Joe for 2 or 3 hours that night, talking about his own campaign and the kind of people who helped him and the mechanism that he used in Delaware to win what apparently was a hopeless political battle. And he expressed to me then his deep confidence in the Delaware people and a sense that if he could reach them directly, even on a shoestring budget and without any substantial media advertising, that he felt that I could do the same on a nationwide basis.

I was so intrigued with Joe that I departed from my normal practice, which is to be polite and then withdraw, and I went to the Jaycee convention with him

that night, and I listened to his speech. And he talked about the need for government to be competent. He talked about the need for government not to intrude itself into the free enterprise system. He talked about the need for tough business management of budgets, and he talked about the need to eliminate unnecessary paperwork. And he described to those Jaycees, who were quite conservative in Georgia, the essence of what our Nation was and could be.

That was at the time of greatest despair. It was a time of Watergate. It was a time when Vietnam was on the conscience and consciousness of every American. It was a time when the CIA revelations were just beginning, and it was a time when people had forgotten about lifting a banner high and arousing the spirit and the confidence and the dedication and the warmth and legitimate pride in what our Nation was when Delaware was the first State to start its evolution toward success.

I learned a lot from him then. And I didn't ask Joe Biden to do much more than to head up a national committee as an honorary title, which he did, and to help me in Delaware, which he did; for when I would go to Wisconsin and say, "What can I do in this city to explain my position," they would say, "Well, you don't have to explain your position. Joe Biden's already done it for you."

And when I would campaign through Pennsylvania in those tough days when Pennsylvania was the crucial primary, Joe Biden spent three times as many days and nights in Pennsylvania campaigning for me as I spent campaigning for myself.

Well, he's the kind of friend who is inspirational and staunch, and he's the kind of young man who represents the finest things in American life and in American politics, and he's the kind of young man who is independent almost to a fault. [*Laughter*] He makes up his own mind,

<sup>1</sup> Senator Biden's brother.

and he makes up his mind according to what's best for Delaware, which in almost every single instance is what's best for our great country.

So, it is an honor for me to come here and congratulate you. This is the largest Democratic fundraising event in the history of Delaware, and I thank you for it.

I'd just like to say one more word, and that is that we are all in this campaign and we are all in the political arena together, whether we are in the White House or in the State senate. And we do face difficult problems—Mideast, the Horn of Africa, SALT, nonproliferation, the embarrassment of revelations which ought not to be part of our political system.

Sometimes we have too much unemployment, sometimes the inflation rate is higher than we would like. There's not always an equitable distribution of benefits in our country. But I think it's good for all of us to emphasize the positive aspects of American life.

Everyone in this room has been blessed with social prominence and with responsibility, the trust of our peers, perhaps even affluence, certainly a great deal of influence on the path of our State and our Nation in the months and years to come. People look to us for guidance and for inspiration, and I think it's incumbent on us not only to search out ways in which we might improve our country but also to emphasize the positive aspects of it in spite of temporary aberrations and in spite of the fact that we falter on occasion in making a steady, inexorable progress. We still live in the greatest nation on Earth, and I think we ought to emphasize that point as often as we can. Thank you very much.

NOTE: The President spoke at 7:43 p.m. in the Gold Ballroom at the Hotel Dupont.

## Wilmington, Delaware

*Remarks at a State Democratic Committee Fundraising Reception. February 20, 1978*

*Senator Joe Biden and to Jill; Senator Wendell Ford, who's responsible this year for the election and reelection of Democratic Senators all over the country; for our fine new chairman of the Democratic National Party, John White, from Texas; Lieutenant Governor McGinnis and Attorney General Weir; Treasurer Carper; and good Democrats:*

We've got a lot in common. In almost every instance that I can consider, we are united.

In 1974 Joe Biden came down to Atlanta with his brother Frank to spend the night with me. I was Governor then. I saw a lot in this young man, and I asked him for advice. I told him confidentially I was going to run for President. I asked him for his advice. He said, "Well, I can tell you how you can be elected, even though nobody knows you. You're a Southerner; you haven't had any experience; you don't know very much about national issues, as much as I know myself." [Laughter] "But," he said, "if you'll get my sister to be your national chairman, you'll win." [Laughter]

She had better sense than to take on a hopeless cause, so I had to take second choice. And I chose Joe Biden, and he campaigned for me in 1976 in 30 different States, and Joe Biden, I want to thank you for it.

Joe said we might lose our reputation by demonstrating that we are united, but I'd like to indicate to you a few things on which we are united.

How many of you think that the next United States Senator ought to be and will be Joe Biden? [Applause]

Joe Biden is on the United States Senate Budget Committee. He helped, this past year, get a \$6 billion tax reduction for

the American people. How many of you think we ought to have a \$25 billion tax reduction in 1978? [*Applause*]

We've got tax laws that ought to be changed and made fair. They have too many loopholes in them, and the working families of our country have not had an adequate voice in Washington or in the Congress or the White House for a long time. But now the Democratic Party, working together on both ends of Pennsylvania Avenue, want to have a fair and equitable tax system, along with a much lower tax burden. We want to give some tax breaks for middle-income families to let them keep more of their money to put their kids through college, to have a better education system. How many of you agree with that? [*Applause*]

Joe Biden, in spite of the fact that he has only been in the Senate for 6 years, has been honored as few Senators are by being put on the Foreign Relations Committee. This gives him a much broader scope and responsibility than just representing Delaware. But it can be a source of great pride to you, because Joe Biden has to listen to the confidential reports to the Congress. He believes and I believe that we can have a comprehensive peace in the Middle East. How many of you agree? [*Applause*]

He specializes in Europe, the home of our closest historical allies, where most of our ancestors came from. We've been trying to strengthen NATO to revive the spirit of people who live in Europe, and for the first time since NATO was formed, the North Atlantic Treaty Organization, every single member is now a democracy. I think that's good progress. We're going to make more progress. What do you think about it? [*Applause*]

We have also a kind of a sense in this country of what's good and what's right. And I think it's fair to say that when I began my campaign in early 1975, when

I talked with Joe Biden in the Governor's mansion in 1974, there was a sense of despair and alienation, disappointment, even embarrassment among American people.

We were fighting an unpopular war in Vietnam. We had been embarrassed by a Republican administration with the Watergate scandals. The intelligence community of our Nation, on which we depend for our security to a major degree, had had revelations about it alleging assassination and murder and illegalities.

And I believe that we have now corrected all those deficiencies, and people can once again be proud of our country, proud of our Government, proud of our Congress, proud of our administration. How many of you agree with that? [*Applause*]

I won't go down the list of things, but I would like to mention two or three: Joe Biden serves on a special committee, the Senate Intelligence Committee. It's a committee that receives our Nation's utmost secrets, and it has had at its breast these last 2 years the responsibility to correct the defects that existed within the CIA and to be sure that in the future, we had professional civil servants—and we have—who do a superb job—and they have and they do—who respect and preserve the constitutional rights of American citizens to our own privacy, who don't violate American law. And he has had a great responsibility for making sure that these defects in the CIA and intelligence community never reappear.

We are now preparing under the leadership of Joe Biden and just a few others for the first time a charter for the intelligence community. He believes, as I do, in a strong national defense and that the security of our Nation is the first responsibility of a President and the Congress. How many of you agree with Joe Biden about that? [*Applause*]

In my acceptance speech at the Democratic National Convention, and in the inaugural speech 13 months ago, I used two words which have not been spoken enough in Washington or throughout our country in the last few years, and those two words were "human rights."

I felt then, and I feel now, that not only must we correct serious mistakes, constantly analyze where we are, constantly improve on the structure of our Government, but that our Nation ought to stand for something, stand for something that doesn't change, stand for something that was here when Delaware became the first State to adopt the Constitution as a basis for freedom and a basis for inspiration.

Our Nation has now rehoisted a banner that gives us legitimate pride, which puts on us a mandate for legitimate humility to make sure that we reexamine what we are, where we stand, the progress we are making, so that we can set an example for other countries.

This past week I greeted the Ambassador from Indonesia. He sat in the Oval Office, and we mentioned briefly human rights, because his country has been embarrassed in recent years. And he said, "Mr. President, I just want to let you know that we are proud that in Indonesia this past month we released from prison 10,000 people who had been incarcerated because of politics."

I believe in basic human rights with all my heart. And as long as I'm in the White House and Joe Biden's in the Senate, we'll always stand for human rights for you.

We've never had a national energy policy. How many of you think we ought to have a national energy policy? *[Applause]*

Our welfare system is in many ways a mess. How many of you think we need welfare reform? *[Applause]*

Our Federal bureaucracy is confused, it's overlapping, it's wasteful. And our

superb civil servants can't often do as good a job as they hunger to do. How many of you think we ought to reorganize the Federal Government and make it efficient? *[Applause]*

When I came into office in January of 1977, a little more than a year ago, our unemployment rate was almost 8 percent. This past month it was 6.3 percent. It's on the way down.

The unemployment rate in Delaware has dropped 2 percent—here in your capital city, 2½ percent in the last year. And I believe that if we work together, we can keep the unemployment rate going down. How many of you believe that we ought to? *[Applause]* In your capital city *and* here it's gone down 2½ percent. *[Laughter]*

Well, let me just mention one other thing, and then I'd like to close. We are searching to find the answers for some very difficult questions. We're negotiating every day with the Soviet Union to try to limit nuclear weapons and then to reduce the arsenal of nuclear weapons with an ultimate goal of our country on a very well-balanced, verifiable basis, the elimination of nuclear weapons from the face of the Earth. How many of you would like to see that? *[Applause]*

My background is in nuclear physics, nuclear engineering, and I've seen the possibility in the past of new nations from time to time——

*[At this point, a woman in the audience began to faint. After ascertaining that she was being cared for, the President resumed speaking.]*

I think a year ago, or 18 months ago, everybody figured that the nuclear genie was out of the bottle, that there was no way to prevent new nations, as India had done, from exploding atomic weapons. But now this past week, the House and the Senate, obviously with Joe Biden's strong support, has passed a bill that will help us very well to permit nuclear power

to be used for peaceful purposes, but to prevent any atomic fuel from our country ever to go to a country overseas to make an atomic explosion. We believe in non-proliferation and now we've done something about it.

So, you can see that in a list of 10 or 15 things so far, we haven't found any differences among us.

The Democratic Party is united, and it's united on a basis of principles that seem sometimes to be in conflict, but which aren't. I believe in tough fiscal management. I believe in balanced budgets. I believe in government that's well-organized. I believe in a day's work for a day's pay. I believe that the best government is the one closest to the people. I don't think the Federal Government ought to intrude in the private affairs of American citizens.

I don't believe we ought to ever be satisfied with achievements, but that we ought to have the courage within our country constantly to assess our own failings and shortcomings, our own errors and mistakes, and correct them openly and willingly and eagerly.

I believe that government ought to have a heart. I believe we ought to be constantly concerned about those who are not as fortunate as we. I think we ought to search back 200 years ago and look into the hearts and minds of the founders of our country and try to understand what they had as a vision for the future and even to improve upon it.

I recognize that our country does have its fault, but I know along with you that we share a deep conviction that in spite of all our faults and all our mistakes and all of our fumbblings and sometimes divisions, that you and I still live in the greatest nation on Earth.

Thank you very much.

NOTE: The President spoke at 8:20 p.m. at the Padua Academy.

## Meeting With Prime Minister Anker Jorgensen of Denmark

*White House Statement.  
February 21, 1978*

President Carter met with Prime Minister Anker Jørgensen of Denmark today at the White House. The Prime Minister was accompanied by Foreign Minister K. B. Andersen and other high-ranking Danish officials. Prime Minister Jørgensen, who is also current President of the European Council, is paying an official visit to Washington at the President's invitation. He and Mrs. Jørgensen were the guests at a luncheon given by Vice President and Mrs. Mondale. Secretary Vance will hold a luncheon for the Prime Minister tomorrow. While in Washington, he will also meet with Secretaries Brown, Blumenthal, Schlesinger, and Marshall, with the Special Representative for Trade Negotiations, Robert Strauss, and with Members of Congress. The Prime Minister's talks with the President covered a broad range of economic and political topics in U.S. relations with the European Community, and major international issues of mutual interest.

The two leaders reviewed economic trends in their two countries, in the West generally, and in the world. They agreed that continued close cooperation among the industrial democracies is necessary to increase economic growth, resist protectionism, and work toward resolving global economic problems. The two leaders emphasized the importance of the Multilateral Trade Negotiations in encouraging freer trade to promote orderly growth in both developed and developing nations.

Prime Minister Jørgensen gave the President his assessment of developments

affecting the European Community, including the direct elections to the European Parliament and the applications by Greece, Portugal, and Spain for Community membership. President Carter reaffirmed the U.S. commitment to European unity and support for the European Community, as underscored by his visit to EC headquarters in January.

The President and the Prime Minister reaffirmed the shared commitment of their nations to NATO and to the defense of Western Europe. The two expressed satisfaction at the progress the allies have made in implementing the measures agreed to at last May's NATO Summit, and they discussed the forthcoming NATO Summit, this May in Washington. They noted close U.S.-Danish cooperation in NATO programs, including joint production with other NATO countries of the F-16 aircraft.

The President and Prime Minister exchanged views on major issues in East-West relations. They noted the close coincidence in the positions of their two governments on the CSCE review conference in Belgrade, and the President praised the role of the EC-Nine within the broader NATO consultations. They stressed the continuing need in the future for similar frank and detailed reviews of the implementation of the entire Helsinki Final Act, including its important provisions regarding human rights and humanitarian matters. The two leaders exchanged views on current developments and prospects for progress in the Middle East, southern Africa, and Cyprus. The two leaders also agreed on the need to reduce arms sold by all weapons-producing nations. The President welcomed Denmark's participation in the International Fuel Cycle Evaluation.

## United States Assay Office at New York

*Nomination of Manuel A. Sanchez, Jr., To Be Superintendent. February 21, 1978*

The President today announced that he will nominate Manuel A. Sanchez, Jr., of New York City, to be Superintendent of the United States Assay Office at New York. He would replace Nicholas Costanzo, who has resigned.

Sanchez was born December 28, 1935, in New York. He received a B.B.A. in 1961 and an M.A. in 1969 from City College of New York.

From 1963 to 1968, Sanchez taught English in Brooklyn. In 1968 and 1969, he was special assistant to the New York City Board of Education for research and evaluation. In 1970 and 1971, he was assistant to the Bronx Borough president.

In 1971 Sanchez was special assistant to the New York City school chancellor at the New York Board of Education. From 1972 to 1974, he was director of the Urban-Rural School Development program in School District Seven in the Bronx. In 1974 and 1975, he was administrator of the Citywide Umbrella Bureau for the New York Board of Education. Since 1975 he has been deputy community superintendent for the Board of Education for School District Nine in the Bronx.

## Comprehensive Employment and Training Act Extension

*Message to the Congress. February 22, 1978*

*To the Congress of the United States:*

I am submitting today legislation to extend an improved Comprehensive Employment and Training Act through 1982.

This legislation is an essential complement to the balanced economic program I presented to the Congress last month.

While our tax and budget proposals ensure that steady growth continues without inflation, the CETA legislation I am proposing today will make sure that more of our people share in the benefits of growth. With its training programs and direct job creation, this legislation is critical to reaching our employment goals.

In Fiscal Year 1979 we expect to spend \$11.4 billion in this effort, providing jobs and training support for more than 4 million people under the CETA program.

This legislation will combine public and private efforts to attack the problem of *structural* unemployment, which affects groups, such as minorities and young people, who have difficulty finding work even when over-all economic prospects are good. Last year, for example, our employment situations improved markedly; 4.1 million more people held jobs at the end of 1977 than at the end of 1976, and the unemployment rate fell by 1.4 percent. But even while unemployment was falling to 4 percent among white males above the age of 20, it was rising—from 35 to 38 percent—among black teenagers.

The Comprehensive Employment and Training Act will enable us to concentrate on these groups that suffer structural problems, without putting inflationary pressures on the rest of the economy. Its major elements are:

—Public service jobs for the unemployed. In the last year, we have more than doubled the size of this program, increasing it from about 300,000 jobs to 725,000.

—The broad range of youth programs authorized by the Youth Employment and Demonstration Projects Act of 1977. Spending for youth programs has increased from about \$660 million in Fiscal Year 1976 to about \$2.3 billion in Fiscal Year 1979.

—The Administration's new Private Sector Initiative, which will provide op-

portunity for the private and public sectors to work together to provide jobs and training for the unemployed and disadvantaged.

—Other important related programs, such as the Jobs Corps, welfare reform demonstration projects, and the Federal government's job training efforts.

These CETA programs have already played a role in reducing the unemployment rate from 7.8 percent to 6.3 percent in the last 13 months.

The bill I am submitting today, which will reauthorize the Comprehensive Employment and Training Act for an additional four years, from 1979 to 1982, will sustain the current programs, establish the foundation for future growth, and improve the operation of the CETA system.

A countercyclical program under Title VI, will maintain the 725,000 public service employment slots that were part of my stimulus program through Fiscal 1979. We are rapidly approaching the 700,000 mark in that effort, and I fully expect that the 725,000 goal will be reached in the month of March.

Also, I am recommending to the Congress that we adopt a trigger formula, beginning in 1980, to insure that countercyclical public service employment is activated quickly when needed and is reduced as unemployment declines.

When the unemployment rate falls below four and three-quarters percent, the triggering formula will reduce the number of slots to 100,000, targeted on areas that still have high unemployment. For each half percentage point that unemployment exceeds that 4.75 percent level, 100,000 public service employment positions will be added in Title VI.

Recent evidence indicates the effectiveness of countercyclical public service employment. Just last week, the National Commission on Manpower Policy released a study done by the Brookings Institution

showing that the substitution problem, which limits the usefulness of public service employment when Federal dollars are used to replace local funds, is not as serious as had previously been feared.

To reduce substitution, I am encouraging the use of a special project approach which, according to recent evidence, has been successful in meeting this problem.

I am also proposing strict limits on the use of these funds to support higher-wage public employment.

This new bill takes further steps to target jobs on those most in need and sharply limit substitution.

In order to target more effectively, I am recommending that funds given out under the CETA system be used only for the economically disadvantaged—defined as those whose family income is no greater than 70 percent of the Bureau of Labor Statistics' lower-income family budget standard. I am also recommending that young people whose parents claimed them as income tax deductions in the previous year include their parents' income in establishing their eligibility for the current year.

This year, I propose that we demonstrate the jobs component of my welfare reform proposal by creating 50,000 positions in selected cities. Beginning in Fiscal 1980, with the passage of the welfare reform bill, we will increase the structural unemployment program until it can accommodate the 1.4 million people I anticipate will be served in the welfare reform plan. That should ensure that, for every family containing children and parents who want to work, there will be a job. Most families containing an employable person will see their income rise substantially above the poverty line.

The purpose of the Public Service Employment program will remain what it has been—to provide *useful* jobs. For example:

—Major parks in urban centers, such as Boston, that were once abandoned to overgrowth and vandalism have been reclaimed for the enjoyment of the public.

—In North Carolina, elderly people are being cared for, in their homes, by public service employment workers, rather than being forced to leave home and spend their last years in expensive, sometimes-impersonal nursing homes.

—In Portland, Oregon, CETA workers install locks, window grates and other security devices in the homes of senior citizens and low-income families living in high-crime areas.

—In Memphis, workers are building ramps for the handicapped in five areas of the city used heavily by the handicapped and elderly.

—In Humboldt County, California, CETA workers help to staff day care centers serving low-income families.

—In Worthington, Minnesota, workers are providing home insulation and energy conservation assistance to low-income households in a four-county area.

As the economy improves, employment and training programs should shift their emphasis from creating jobs in the public sector to providing training and finding jobs in the private sector.

To help place CETA participants in private-sector jobs, to provide an opportunity for cooperation between the local CETA programs and the private sector, and to tap the goodwill and commitment of private-sector businessmen, large and small, as well as labor leaders, I am asking Congress for authority to establish a new Private Sector Employment Initiative, under a new Title VII. In the budget, I have set aside \$400 million for this activity in 1979.

Private Industry Councils—made up of representatives of large and small businesses and union organizations—will be responsible for developing on-the-job



training and other placement opportunities with private firms for young workers and other participants in the CETA system.

The CETA legislation that I am presenting today provides Congress with a plan for a rational, efficient and targeted structural and countercyclical employment program.

We need an employment and training system which is administratively clear, that helps those most in need, that creates needed jobs and provides maximum opportunity for cooperation between the public and private sectors. To reach the goal of full employment, and price stability which we have set in the Humphrey-Hawkins bill, we must make these programs work. The legislation I am sending to Congress today can provide a framework within which we can all work together to achieve that commitment.

JIMMY CARTER

The White House,  
February 22, 1978.

## Dinner for Retiring Members of Congress

*Remarks at the White House Dinner.  
February 22, 1978*

I hope I didn't interrupt anyone's meal. I presume you're through by now.

First of all, I'd like to say that Rosalynn and I are deeply honored and very pleased to have all of you here this evening in a religious time of our year. Of all the folks in Washington, I know you gave up more for Lent than anyone else—[laughter]—your seat in the House and Senate. But the country's given up even more by being deprived of your service in the future.

Frank Moore figured out today that the cumulative experience represented among

the Members of Congress here tonight is more than 400 years. And we still haven't been able to get an energy bill through. [Laughter]

I know that all of you now are thinking about what you'll do after you leave the Congress this next January. If you haven't chosen a second career yet, I wish that some of you would consider mining coal. [Laughter] It would be a lot of help to us here. We have made some progress today. And I hope that the miners and coal operators will get together perhaps without too much delay.

I have a few comments to make. I was a little bit hesitant to get up here. I noticed in the paper when Congressman Otis Pike was asked why he was leaving the Congress, he said he was tired of wasting his time listening to drivel. [Laughter] I hope that Congressman Pike will excuse me just for a few minutes this evening. [Laughter]

We have represented here tonight almost every committee of Congress. We have some of the most powerful and influential Members who have ever served in Washington, the chairman of the House Appropriations Committee, the chairman of the Senate Foreign Relations Committee, and others. And we have the two most senior Members of Congress who will be retiring at the end of this year, men who have been here since—for more than 40 years. In fact, we have three at my table, who have each served more than four decades.

We have the only two Members of Congress, I think, here tonight, who were born before this century. We've got a former Governor, Dewey Bartlett. We've got a former candidate for Vice President, who's a fine and wonderful gentleman.

We have also some men who have shown a great deal of courage. John Moss, whose service in the Congress I deeply admire, was one of the first men who ever brought to the forefront of our Nation's

consciousness the right of American citizens to have access to Government records on them. And the Freedom of Information Act was caused by his long and tenacious battle for that fight against deprivation of privacy. Before many people began to worry about the Vietnam war, Charles Whalen was speaking out in a very courageous way. Shirley Pettis, after the tragic death of her husband, volunteered her services to our country. And Dewey Bartlett, who hasn't been feeling well lately, has courageously served his country as well.

We've got some famous people here tonight that I've admired for a long time who served on the House Judiciary Committee during the impeachment proceedings, at a time when our Nation's spirits were desperately low and there was a genuine doubt about the integrity of many public servants in Washington and there was also some concern about the competence of some of the Members of Congress. And to have the television cameras focused on these men and women who did such a superb job, both Democrats and Republicans, transformed our Nation's spirit and let us weather one of the most serious threats to the confidence in Government among the American people that we've ever experienced.

Three of those are retiring this year, Barbara Jordan—and, Barbara, we're going to miss you—and Jim Mann and Charlie Wiggins, all of whom were very famous, and rightly so.

I said over tonight at the banquet—I was feeling good when I came in here this evening—the vote on the B-1 and the vote on the Panama Canal treaties, I was in high spirits. But as I sat through the evening meal and looked at my own table and realized what I was going to be losing next year as President, a sober and sad feeling came over me.

It's going to be very difficult for me as President to get along next year without this group of superb leaders. And on behalf of the American people and as President of our country, I want to thank all of you for the tremendous service that you have already given to our Nation and let you know how much I appreciate what you've done for me in my first year as President.

Thank you very, very much.

You may have noticed from the dessert, the cherry pie, that today is George Washington's birthday. And we're eating in a room that honors George and Martha Washington.

He was the only President who didn't live in this house. He lived in Philadelphia and in New York when he served his two terms as President. He faced tremendous challenges, and of course, the times were quite different. In those early days, the President never shook hands with people. It was considered a proper thing for a person when they addressed a President to bow, and the President would bow in return.

I personally like the new handshaking days myself. I don't think I would have ever been elected to this office had I just bowed to people in factory shift lines. *[Laughter]* But George Washington obviously set an example for service that's stood us in good stead.

Tonight, we are commemorating public service, that's been demonstrated by all of you, in honoring George Washington with a fine program. We have, reading the part of George Washington—repeating words that he actually used during his lifetime about public service—an Academy Award winning actor, Cliff Robertson. And along with him, reading the words of Martha Washington, Thomas Jefferson, and perhaps some other more minor characters, Jill Eikenberry and Philip Anglim.

So, Cliff Robertson, I wish you all would come forward now, and Jill and Philip.

[At this point, the entertainment began. Following its conclusion, the President resumed speaking.]

I know all of you have appreciated what Jill and Philip and Cliff have done for us tonight. I know all of you had thoughts that went back through history, and you can see some very close compatibilities here with Washington's time and even our own modern day.

Presidents are still afflicted with office-seekers—[laughter]—and I think I will use a back garden and a cowbell so that I can escape on occasion. [Laughter]

I think all of you will recognize the truth in what Washington said about pouring legislation into the Senate saucer, where it slowly, slowly cools. [Laughter]

Of course, the most vivid comparison, I think, between Washington's life and what is occurring here tonight is the voluntary resignation from public office and superb service to our country of dedicated men and women.

On behalf of the people of our country, I thank all of you.

NOTE: The President spoke at 9:08 p.m. in the East Room at the White House.

## Human Rights Treaties

*Message to the Senate. February 23, 1978*

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, subject to certain reservations, understandings and declarations, I transmit herewith four treaties pertaining to human rights. Three of these treaties were negotiated at the United Nations:

—The International Convention on the Elimination of All Forms of Racial Dis-

crimination, signed on behalf of the United States on September 28, 1966.

—The International Covenant on Economic, Social and Cultural Rights, signed on behalf of the United States on October 5, 1977.

—The International Covenant on Civil and Political Rights, signed on behalf of the United States on October 5, 1977.

The fourth treaty was adopted by the Organization of American States in 1969, and is open for adoption only by members of that Organization: The American Convention on Human Rights, signed on behalf of the United States on June 1, 1977.

I also transmit, for the information of the Senate, the report of the Department of State on the United Nations treaties and the Department's separate report on the American Convention.

While the United States is a leader in the realization and protection of human rights, it is one of the few large nations that has not become a party to the three United Nations human rights treaties. Our failure to become a party increasingly reflects upon our attainments, and prejudices United States participation in the development of the international law of human rights. The two human rights Covenants are based upon the Universal Declaration of Human Rights, in whose conception, formulation and adoption the United States played a central role. The Racial Discrimination Convention deals with a problem which in the past has been identified with the United States; ratification of this treaty will attest to our enormous progress in this field in recent decades and our commitment to ending racial discrimination.

The United States participated actively and effectively in the negotiation of the American Convention on Human Rights. That Convention, like the United Nations

Covenant on Civil and Political Rights, treats in detail a wide range of civil and political rights. Freedom of speech and thought, participation in government, and others are included which Americans have always considered vital to a free, open and humane society. United States ratification of the Convention will give us a unique opportunity to express our support for the cause of human rights in the Americas.

The great majority of the substantive provisions of these four treaties are entirely consistent with the letter and spirit of the United States Constitution and laws. Wherever a provision is in conflict with United States law, a reservation, understanding or declaration has been recommended. The Department of Justice concurs in the judgment of the Department of State that, with the inclusion of these reservations, understandings and declarations, there are no constitutional or other legal obstacles to United States ratification. The reports of the Department of State on these four treaties describe their provisions and set forth the recommended reservations, understandings and declarations.

Should the Senate give its advice and consent to ratification of the Convention on the Elimination of All Forms of Racial Discrimination, I would then have the right to decide whether to make a declaration, pursuant to Article 14 of the Convention, recognizing the competence of the Committee on the Elimination of Racial Discrimination to receive and consider communications from individuals. Such a declaration would be submitted to the Senate for its advice and consent to ratification.

Should the Senate give its advice and consent to ratification of the International Covenant on Civil and Political Rights, I intend upon deposit of United States ratification to make a declaration, pur-

suant to Article 14 of the Covenant. By that declaration the United States would recognize the competence of the Human Rights Committee established by Article 28 to receive and consider "communications to the effect that a State Party claims that another State Party is not fulfilling its obligations under the Covenant."

Should the Senate give its advice and consent to ratification of the American Convention on Human Rights, I intend upon deposit of United States ratification to make a declaration pursuant to Article 45 of the Convention. By that declaration the United States would recognize the competence of the Inter-American Commission on Human Rights established by Article 33 to receive and examine "communications in which a State Party alleges that another State Party has committed a violation of a human right set forth in this Convention."

By giving its advice and consent to ratification of these treaties, the Senate will confirm our country's traditional commitment to the promotion and protection of human rights at home and abroad. I recommend that the Senate give prompt consideration to the treaties and advice and consent to their ratification.

JIMMY CARTER

The White House,  
February 23, 1978.

## Director of the Federal Bureau of Investigation

*Remarks at the Swearing In of Judge  
William H. Webster. February 23, 1978*

*Vice President Mondale and Chief Justice Burger, Senator Eastland, Congressman Rodino, Senators and Congressmen*

*who have come to visit with us, and amateur Georgia historian, Griffin Bell—[laughter]—Director Kelley, and our new Director, Judge Webster:*

As President, and as one who has learned a great deal about our Nation the last 2 years, 3 years, especially, I'm deeply aware of the importance of the choice of directorship for the Federal Bureau of Investigation.

I can't think of any position in our Nation's Government service that can have a more direct influence on the attitude of American people toward their own Government and in strengthening the legitimate ties among people who are interested in local, State, and Federal governments, than the directorship of the FBI.

This is an agency which sets a standard for integrity and for competence, for dedication, for professionalism, for the preservation of the security of our lives and property, and for the protection of the basic rights of American people.

When the FBI does a good job, it makes us all legitimately proud and gives us a feeling of community of purpose and of security. Director Kelley has done a superb job in coming to this important position at a time when strong leadership, good management, and absolute integrity was badly needed. And he has not disappointed us in any of those respects. And Director Kelley, as President, I would like to express my deep, personal thanks to you for your tremendous contribution.

Tremendous progress has already been made, but we still have a need and an opportunity to make more changes and more progress. Investigative techniques, using modern technology and a closer working relationship among all law enforcement agencies and private citizens, can certainly be improved. A constant re-assessment of priorities, of assignment of your superb personnel in the FBI, can certainly still be modified and improved.

A reaffirmation of the commitment of the powers and authority of the FBI can be emphasized to protect human rights, the civil rights, the privacy of American citizens within the letter and the spirit of our Constitution and our laws.

It's obvious, too, that the FBI can, through its leadership role and through its broad range of knowledge and responsibility, even improve its relationship with other Federal agencies and, particularly, those that are responsible for law enforcement.

I think it's obvious that the new Director takes on one of the most difficult assignments in Government. He is superbly qualified. As a distinguished attorney, as a United States attorney, as a district judge, and as a circuit judge, he has learned the responsibilities of enforcement of the law, the interpretation of the law, in both a theoretical and a practical way.

Because of the enhanced stature of the directorship, Griffin Bell and I had an almost unlimited capability of choosing the very top person in our country, and we have been successful in doing this. I'm very proud that Judge Webster has been willing to assume this responsibility.

This has been done on the basis of non-partisanship, or bipartisanship. I think it's fair to say that Judge Webster is a human being. He's a Republican, which proves his fallibility. *[Laughter]* So he should feel completely at home with the rest of us. *[Laughter]* We serve in an often fallible way here in Washington.

I would like to assure the Chief Justice, at his request, that I will not make any more incursions into the Federal judiciary during my term of office for a Director of the FBI. *[Laughter]* Now I feel that he owes me one. *[Laughter]* I'll reserve the right to call on him in the future.

The last thing I would like to say is this: On behalf of myself, the Vice Presi-

dent, the members of the Cabinet, all those who serve with us, and, I think, in particular, me, I pledge to Judge Webster my absolute and total confidence, my deepest political and personal commitment to cooperate with him as full partners in preserving the standards which have, through the ages, made our Nation so great.

It's a partnership that I feel is of superb importance to our country. And I'm very proud to have a man like Judge Webster who has undertaken to even enhance the tremendous public record and the tremendous reputation of one of the finest organizations in Government and, certainly, the finest law enforcement agency in the world.

Thank you very much.

NOTE: The President spoke at 1:52 p.m. in the auditorium of the J. Edgar Hoover F.B.I. Building. Prior to his remarks, Chief Justice of the United States Warren E. Burger administered the oath of office to Judge Webster.

## Equal Employment Opportunity Enforcement

***Remarks Announcing Reorganization Plan No. 1 of 1978. February 23, 1978***

We are assembled here today in the East Room of the White House on what is truly an historic occasion. It's a great honor for me to stand on the platform with these distinguished men and women—Members of the Congress, in particular, who have joined with me in a partnership, continuing past actions of officials of our Government to make our country a fairer and a more enjoyable and productive place to live.

We have with us officials of a wide range of organizations, some of which I would just like to mention so that you'll

know how broad is the interest and support for the action that we will introduce this afternoon: the Urban League, the National Urban Coalition, the NAACP, the Leadership Conference on Civil Rights, the National Organization of Women, the American GI Forum, the Mexican-American Legal Defense and Education Fund, the American Association of Retired Persons, the American Federation of Government Employees, the National Federation of Federal Employees, the National Association of Government Employees, the Chamber of Commerce of the United States, the Business Roundtable, the National Association of Manufacturers, the National Governors' Conference; representatives from other groups like the United Automobile Workers; major corporations, NBC, General Motors. And we are particularly honored to have with us two women who represent leaders who were the great and courageous innovators in equality of opportunity and civil rights in our country, Mrs. Martin Luther King, Jr., on my left, and Mrs. Lynda Robb, the daughter of President Lyndon Johnson.

I welcome all of you to the White House to join with me in taking an important step toward a more competent Government and toward a more just society. We are here today to announce a comprehensive series of measures to consolidate and to streamline the enforcement of equal employment opportunity laws in our country.

I believe that this is the single most important action to improve civil rights in the last decade. Many of you in this room have participated in the struggle to make human rights a richer and a fuller reality in our country. You have led and represented different groups, fought different obstacles, but your commitments have been and are today the same. You've seen the evils of discrimina-

tion in all its forms, and you have dedicated your own lives to the elimination of those evils.

I've often said during the campaign in Georgia and in Mississippi that the best thing that has happened to our country in my lifetime, and particularly in the South, was the passage of the Civil Rights Act of 1964. It transformed the consciousness of our country, and it gave us a legal basis on which to ensure equality of opportunity and treatment.

When I announced my own candidacy for the Presidency, I repeated the words of my inaugural address in January of 1971 as Governor of Georgia: The time for racial discrimination is over. Our people have already made this major and difficult decision, but we cannot underestimate the challenges of hundreds of minor decisions yet to be made.

Everyone here is ready to meet the challenge of fulfilling this equal rights commitment, whether we are from business or from labor, from the ranks of movements which struggle, sometimes at the threat of one's life, to write that commitment into law, representatives of women and of minorities, of senior citizens and others.

In 1940, President Roosevelt issued the first Executive order to forbid discrimination in employment in the Federal Government. And since that time, the Congress, the courts, and the executive branch have taken historic steps to extend equal employment opportunity and its protection throughout the private, as well as the public sector.

But each new prohibition against discrimination unfortunately has brought with it a further dispersal of Federal equal employment opportunity responsibility and management. There are today nearly 40 different Federal statutes and orders with widely applicable nondiscrimination requirements. These are en-

forced by 18 different departments and agencies in Washington. That is a formula not for guaranteeing equal justice, but for confusion, for division of resources, for needless paperwork, for regulatory duplication, and for delay.

The program that I am announcing today will replace this chaotic picture with a coherent and sensible structure. It constitutes an important step forward toward consolidation of equal employment opportunity enforcement. Specifically, it will establish the Equal Employment Opportunity Commission, the EEOC, as the principal Federal agency in fair employment enforcement. It will transfer from the Department of Labor to EEOC major statutes which forbid discrimination on the basis of sex and of age.

It will transfer from the Civil Service Commission to the EEOC responsibility for enforcing equal employment opportunity protection for Federal employees. And it will consolidate in the Department of Labor responsibility which is now spread among 11 different agencies for ensuring that Federal contractors comply with equal employment standards. And it will also reinforce the responsibility of the Department of Justice to assure compliance with equal employment laws by State and local governments.

This is the first reorganization plan that I am sending to Congress in 1978 under the authority granted to me by law last year. This law is a powerful instrument which Congress and the President, working together, can use to make Government work better.

On this particular reorganization plan, as on others approved and those still being developed, we have been fortunate in having the close cooperation and the expertise of the Senate Governmental Affairs Committee, under Senator Abe Ribicoff, and also the House Govern-

ment Operations Committee, under the leadership of Congressman Jack Brooks. We look forward to working very closely with them and their able staffs through the statutory process of congressional deliberation and evaluation of these proposals.

I think you can all tell from the evidence exhibited by the electronics media that we have a very busy group of people assembled with us today.<sup>1</sup> [Laughter] I hope that they will be equally busy ensuring that the Congress approves these reorganization plans.

I have two documents to sign. They are fairly brief, about eight pages each, double-spaced, and they describe in clear terms the structural changes as I've outlined to you. As you know, under the reorganization legislation that Congress passed last year, I present the plan to Congress and unless it is vetoed by Congress with a 30-day [60-day] period of working days, the plans automatically go into effect.

This plan has some controversial elements in it. It's been carefully negotiated among the EEOC, the Labor Department, the Civil Service Commission, the congressional committees, their staffs, and the interested groups who are so deeply dedicated to equal employment in our country.

And it's with a great deal of pleasure and anticipation of complete success that I now sign the reorganization plans which will be presented to the Congress tomorrow.

[At this point, the President signed the documents.]

Thank you very much. In the future, in order to enhance my own stature in a crowd, I'm going to have my secretary

<sup>1</sup> The President was referring to the noise being made by a paging device carried by a person attending the ceremony.

call me during the middle of a ceremony. [Laughter]

One thing I'd like to add is—I didn't see him when I came in because of the group on the stage—but it would be inappropriate not to recognize the fact that Senator Ted Kennedy is here. And I will assume that he represents his great brother, who was the foremost leader in the enhancement of civil rights in our country.

Ted, we're glad to have you with us.

NOTE: The President spoke at 2:35 p.m. in the East Room at the White House.

## Equal Employment Opportunity Enforcement

*Message to the Congress Transmitting Reorganization Plan No. 1 of 1978.*

*February 23, 1978*

*To the Congress of the United States:*

I am submitting to you today Reorganization Plan No. 1 of 1978. This Plan makes the Equal Employment Opportunity Commission the principal Federal agency in fair employment enforcement. Together with actions I shall take by Executive Order, it consolidates Federal equal employment opportunity activities and lays, for the first time, the foundation of a unified, coherent Federal structure to combat job discrimination in all its forms.

In 1940 President Roosevelt issued the first Executive Order forbidding discrimination in employment by the Federal government. Since that time the Congress, the courts and the Executive Branch—spurred by the courage and sacrifice of many people and organizations—have taken historic steps to extend equal employment opportunity protection through-



out the private as well as public sector. But each new prohibition against discrimination unfortunately has brought with it a further dispersal of Federal equal employment opportunity responsibility. This fragmentation of authority among a number of Federal agencies has meant confusion and ineffective enforcement for employees, regulatory duplication and needless expense for employers.

Fair employment is too vital for haphazard enforcement. My Administration will aggressively enforce our civil rights laws. Although discrimination in any area has severe consequences, limiting economic opportunity affects access to education, housing and health care. I, therefore, ask you to join with me to reorganize administration of the civil rights laws and to begin that effort by reorganizing the enforcement of those laws which ensure an equal opportunity to a job.

Eighteen government units now exercise important responsibilities under statutes, Executive Orders and regulations relating to equal employment opportunity:

- *The Equal Employment Opportunity Commission (EEOC)* enforces Title VII of the Civil Rights Act of 1964, which bans employment discrimination based on race, national origin, sex or religion. The EEOC acts on individual complaints and also initiates private sector cases involving a "pattern or practice" of discrimination.

- *The Department of Labor* and 11 other agencies enforce Executive Order 11246. This prohibits discrimination in employment on the basis of race, national origin, sex, or religion and requires affirmative action by government contractors. While the Department now coordinates enforcement of this "contract compliance" program, it is actually administered by eleven other departments and agencies. The Department also ad-

ministers those statutes requiring contractors to take affirmative action to employ handicapped people, disabled veterans and Vietnam veterans.

In addition, the Labor Department enforces the Equal Pay Act of 1963, which prohibits employers from paying unequal wages based on sex, and the Age Discrimination in Employment Act of 1967, which forbids age discrimination against persons between the ages of 40 and 65.

- *The Department of Justice* litigates Title VII cases involving public sector employers—State and local governments. The Department also represents the Federal government in lawsuits against Federal contractors and grant recipients who are in violation of Federal nondiscrimination prohibitions.

- *The Civil Service Commission (CSC)* enforces Title VII and all other nondiscrimination and affirmative action requirements for Federal employment. The CSC rules on complaints filed by individuals and monitors affirmative action plans submitted annually by other Federal agencies.

- *The Equal Employment Opportunity Coordinating Council* includes representatives from EEOC, Labor, Justice, CSC and the Civil Rights Commission. It is charged with coordinating the Federal equal employment opportunity enforcement effort and with eliminating overlap and inconsistent standards.

- In addition to these major government units, other agencies enforce various equal employment opportunity requirements which apply to specific grant programs. The Department of Treasury, for example, administers the anti-discrimination prohibitions applicable to recipients of revenue sharing funds.

These programs have had only limited success. Some of the past deficiencies include:

- inconsistent standards of compliance;
- duplicative, inconsistent paperwork requirements and investigative efforts;
- conflicts within agencies between their program responsibilities and their responsibility to enforce the civil rights laws;
- confusion on the part of workers about how and where to seek redress;
- lack of accountability.

I am proposing today a series of steps to bring coherence to the equal employment enforcement effort. These steps, to be accomplished by the Reorganization Plan and Executive Orders, constitute an important step toward consolidation of equal employment opportunity enforcement. They will be implemented over the next two years, so that the agencies involved may continue their internal reform.

Its experience and broad scope make the EEOC suitable for the role of principal Federal agency in fair employment enforcement. Located in the Executive Branch and responsible to the President, the EEOC has developed considerable expertise in the field of employment discrimination since Congress created it by the Civil Rights Act of 1964. The Commission has played a pioneer role in defining both employment discrimination and its appropriate remedies.

While it has had management problems in past administrations, the EEOC's new leadership is making substantial progress in correcting them. In the last seven months the Commission has redesigned its internal structures and adopted proven management techniques. Early experience with these procedures indicates a high degree of success in reducing and expediting new cases. At my direction, the Of-

fice of Management and Budget is actively assisting the EEOC to ensure that these reforms continue.

The Reorganization Plan I am submitting will accomplish the following:

- On July 1, 1978, abolish the Equal Employment Opportunity Coordinating Council (42 U.S.C. 2000e-14) and transfer its duties to the EEOC (no positions or funds shifted).

- On October 1, 1978, shift enforcement of equal employment opportunity for Federal employees from the CSC to the EEOC (100 positions and \$6.5 million shifted).

- On July 1, 1979, shift responsibility for enforcing both the Equal Pay Act and the Age Discrimination in Employment Act from the Labor Department to the EEOC (198 positions and \$5.3 million shifted for Equal Pay; 119 positions and \$3.5 million for Age Discrimination).

- Clarify the Attorney General's authority to initiate "pattern or practice" suits under Title VII in the public sector.

In addition, I will issue an Executive Order on October 1, 1978, to consolidate the contract compliance program—now the responsibility of Labor and eleven "compliance agencies"—into the Labor Department (1,517 positions and \$33.1 million shifted).

These proposed transfers and consolidations reduce from fifteen to three the number of Federal agencies having important equal employment opportunity responsibilities under Title VII of the Civil Rights Act of 1964 and Federal contract compliance provisions.

Each element of my Plan is important to the success of the entire proposal.

By abolishing the Equal Employment Opportunity Coordinating Council and transferring its responsibilities to the EEOC, this plan places the Commission at the center of equal employment oppor-

tunity enforcement. With these new responsibilities, the EEOC can give coherence and direction to the government's efforts by developing strong uniform enforcement standards to apply throughout the government: standardized data collection procedures, joint training programs, programs to ensure the sharing of enforcement related data among agencies, and methods and priorities for complaint and compliance reviews. Such direction has been absent in the Equal Employment Opportunity Coordinating Council.

It should be stressed, however, that affected agencies will be consulted before EEOC takes any action. When the Plan has been approved, I intend to issue an Executive Order which will provide for consultation, as well as a procedure for reviewing major disputed issues within the Executive Office of the President. The Attorney General's responsibility to advise the Executive Branch on legal issues will also be preserved.

Transfer of the Civil Service Commission's equal employment opportunity responsibilities to EEOC is needed to ensure that: (1) Federal employees have the same rights and remedies as those in the private sector and in State and local government; (2) Federal agencies meet the same standards as are required of other employers; and (3) potential conflicts between an agency's equal employment opportunity and personnel management functions are minimized. The Federal government must not fall below the standard of performance it expects of private employers.

The Civil Service Commission has in the past been lethargic in enforcing fair employment requirements within the Federal government. While the Chairman and other Commissioners I have appointed have already demonstrated their personal commitment to expanding equal

employment opportunity, responsibility for ensuring fair employment for Federal employees should rest ultimately with the EEOC.

We must ensure that the transfer in no way undermines the important objectives of the comprehensive civil service reorganization which will be submitted to Congress in the near future. When the two plans take effect, I will direct the EEOC and the CSC to coordinate their procedures to prevent any duplication and overlap.

The Equal Pay Act, now administered by the Labor Department, prohibits employers from paying unequal wages based on sex. Title VII of the Civil Rights Act, which is enforced by EEOC, contains a broader ban on sex discrimination. The transfer of Equal Pay responsibility from the Labor Department to the EEOC will minimize overlap and centralize enforcement of statutory prohibitions against sex discrimination in employment.

The transfer will strengthen efforts to combat sex discrimination. Such efforts would be enhanced still further by passage of the legislation pending before you, which I support, that would prohibit employers from excluding women disabled by pregnancy from participating in disability programs.

There is now virtually complete overlap in the employers, labor organizations, and employment agencies covered by Title VII and by the Age Discrimination in Employment Act. This overlap is burdensome to employers and confusing to victims of discrimination. The proposed transfer of the age discrimination program from the Labor Department to the EEOC will eliminate the duplication.

The Plan I am proposing will not affect the Attorney General's responsibility to enforce Title VII against State or local

governments or to represent the Federal government in suits against Federal contractors and grant recipients. In 1972, the Congress determined that the Attorney General should be involved in suits against State and local governments. This proposal reinforces that judgment and clarifies the Attorney General's authority to initiate litigation against State or local governments engaged in a "pattern or practice" of discrimination. This in no way diminishes the EEOC's existing authority to investigate complaints filed against State or local governments and, where appropriate, to refer them to the Attorney General. The Justice Department and the EEOC will cooperate so that the Department sues on valid referrals, as well as on its own "pattern or practice" cases.

A critical element of my proposals will be accomplished by Executive Order rather than by the Reorganization Plan. This involves consolidation in the Labor Department of the responsibility to ensure that Federal contractors comply with Executive Order 11246. Consolidation will achieve the following: promote consistent standards, procedures, and reporting requirements; remove contractors from the jurisdiction of multiple agencies; prevent an agency's equal employment objectives from being outweighed by its procurement and construction objectives; and produce more effective law enforcement through unification of planning, training and sanctions. By 1981, after I have had an opportunity to review the manner in which both the EEOC and the Labor Department are exercising their new responsibilities, I will determine whether further action is appropriate.

Finally, the responsibility for enforcing grant-related equal employment provisions will remain with the agencies ad-

ministering the grant programs. With the EEOC acting as coordinator of Federal equal employment programs, we will be able to bring overlap and duplication to a minimum. We will be able, for example, to see that a university's employment practices are not subject to duplicative investigations under both Title IX of the Education Amendments of 1972 and the contract compliance program. Because of the similarities between the Executive Order program and those statutes requiring Federal contractors to take affirmative action to employ handicapped individuals and disabled and Vietnam veterans, I have determined that enforcement of these statutes should remain in the Labor Department.

Each of the changes set forth in the Reorganization Plan accompanying this message is necessary to accomplish one or more of the purposes set forth in Section 901(a) of Title 5 of the United States Code. I have taken care to determine that all functions abolished by the Plan are done only under the statutory authority provided by Section 903(b) of Title 5 of the United States Code.

I do not anticipate that the reorganizations contained in this Plan will result in any significant change in expenditures. They will result in a more efficient and manageable enforcement program.

The Plan I am submitting is moderate and measured. It gives the Equal Employment Opportunity Commission—an agency dedicated solely to this purpose—the primary Federal responsibility in the area of job discrimination, but it is designed to give this agency sufficient time to absorb its new responsibilities. This reorganization will produce consistent agency standards, as well as increased accountability. Combined with the intense commitment of those charged with these responsibilities, it will become possible for

us to accelerate this nation's progress in ensuring equal job opportunities for all our people.

JIMMY CARTER

The White House,  
February 23, 1978.

#### REORGANIZATION PLAN NO. 1 OF 1978

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, February 23, 1978, pursuant to the provisions of Chapter 9 of Title 5 of the United States Code.

#### EQUAL EMPLOYMENT OPPORTUNITY

##### SECTION 1. *Transfer of Equal Pay Enforcement Functions.*

All functions related to enforcing or administering Section 6 (d) of the Fair Labor Standards Act, as amended, (29 U.S.C. 206 (d)) are hereby transferred to the Equal Employment Opportunity Commission. Such functions include, but shall not be limited to, the functions relating to equal pay administration and enforcement now vested in the Secretary of Labor, the Administrator of the Wage and Hour Division of the Department of Labor, and the Civil Service Commission pursuant to Sections 4 (d) (1); 4 (f); 9; 11 (a), (b) and (c); 16 (b) and (c) and 17 of the Fair Labor Standards Act, as amended, (29 U.S.C. 204(d)(1); 204 (f); 209; 211 (a), (b) and (c); 216 (b) and (c) and 217) and Section 10(b)(1) of the Portal-to-Portal Act of 1947, as amended, (29 U.S.C. 259).

##### SECTION 2. *Transfer of Age Discrimination Enforcement Functions.*

All functions vested in the Secretary of Labor or in the Civil Service Commission pursuant to Sections 2, 4, 7, 8, 9, 10, 11, 12, 13, 14, and 15 of the Age Discrimination in Employment Act of 1967, as amended, (29 U.S.C. 621, 623, 626, 627, 628, 629, 630, 631, 632, 633, and 633a)

are hereby transferred to the Equal Employment Opportunity Commission. All functions related to age discrimination administration and enforcement pursuant to Sections 6 and 16 of the Age Discrimination in Employment Act of 1967, as amended, (29 U.S.C. 625 and 634) are hereby transferred to the Equal Employment Opportunity Commission.

##### SECTION 3. *Transfer of Equal Opportunity in Federal Employment Enforcement Functions.*

(a) All equal opportunity in Federal employment enforcement and related functions vested in the Civil Service Commission pursuant to Section 717 (b) and (c) of the Civil Rights Act of 1964, as amended, (42 U.S.C. 2000e-16 (b) and (c)), are hereby transferred to the Equal Employment Opportunity Commission.

(b) The Equal Employment Opportunity Commission may delegate to the Civil Service Commission or its successor the function of making a preliminary determination on the issue of discrimination whenever, as a part of a complaint or appeal before the Civil Service Commission on other grounds, a Federal employee alleges a violation of Section 717 of the Civil Rights Act of 1964, as amended, (42 U.S.C. 2000e-16) provided that the Equal Employment Opportunity Commission retains the function of making the final determination concerning such issue of discrimination.

##### SECTION 4. *Transfer of Federal Employment of Handicapped Individuals Enforcement Functions.*

All Federal employment of handicapped individuals enforcement functions and related functions vested in the Civil Service Commission pursuant to Section 501 of the Rehabilitation Act of 1973 (29 U.S.C. 791) are hereby transferred to the Equal Employment Opportunity Com-

mission. The function of being co-chairman of the Interagency Committee on Handicapped Employees now vested in the Chairman of the Civil Service Commission pursuant to Section 501 is hereby transferred to the Chairman of the Equal Employment Opportunity Commission.

**SECTION 5. *Transfer of Public Sector 707 Functions.***

Any function of the Equal Employment Opportunity Commission concerning initiation of litigation with respect to State or local government, or political subdivisions under Section 707 of Title VII of the Civil Rights Act of 1964, as amended, (42 U.S.C. 2000e-6) and all necessary functions related thereto, including investigation, findings, notice and an opportunity to resolve the matter without contested litigation, are hereby transferred to the Attorney General, to be exercised by him in accordance with procedures consistent with said Title VII. The Attorney General is authorized to delegate any function under Section 707 of said Title VII to any officer or employee of the Department of Justice.

**SECTION 6. *Transfer of Functions and Abolition of the Equal Employment Opportunity Coordinating Council.***

All functions of the Equal Employment Opportunity Coordinating Council, which was established pursuant to Section 715 of the Civil Rights Act of 1964, as amended, (42 U.S.C. 2000e-14), are hereby transferred to the Equal Employment Opportunity Commission. The Equal Employment Opportunity Coordinating Council is hereby abolished.

**SECTION 7. *Savings Provision.***

Administrative proceedings including administrative appeals from the acts of an executive agency (as defined by Section 105 of Title 5 of the United States Code) commenced or being conducted by or against such executive agency will not

abate by reason of the taking effect of this Plan. Consistent with the provisions of this Plan, all such proceedings shall continue before the Equal Employment Opportunity Commission otherwise unaffected by the transfers provided by this Plan. Consistent with the provisions of this Plan, the Equal Employment Opportunity Commission shall accept appeals from those executive agency actions which occurred prior to the effective date of this Plan in accordance with law and regulations in effect on such effective date. Nothing herein shall affect any right of any person to judicial review under applicable law.

**SECTION 8. *Incidental Transfers.***

So much of the personnel, property, records and unexpended balances of appropriations, allocations and other funds employed, used, held, available, or to be made available in connection with the functions transferred under this Plan, as the Director of the Office of Management and Budget shall determine, shall be transferred to the appropriate department, agency, or component at such time or times as the Director of the Office of Management and Budget shall provide, except that no such unexpended balances transferred shall be used for purposes other than those for which the appropriation was originally made. The Director of the Office of Management and Budget shall provide for terminating the affairs of the Council abolished herein and for such further measures and dispositions as such Director deems necessary to effectuate the purposes of this Reorganization Plan.

**SECTION 9. *Effective Date.***

This Reorganization Plan shall become effective at such time or times, on or before October 1, 1979, as the President shall specify, but not sooner than the earliest time allowable under Section 906 of Title 5 of the United States Code.

## Budget Deferrals

*Message to the Congress. February 23, 1978*

*To the Congress of the United States:*

In accordance with the Impoundment Control Act of 1974, I herewith report a new Department of Commerce deferral of Maritime Administration funds totaling \$122 million in budget authority and a new deferral of \$0.4 million in outlays for the Antirecession financial assistance fund in the Department of the Treasury.

In addition, I am reporting routine revisions to two previously transmitted deferrals. A Department of the Interior deferral is increased by \$2 million in budget authority, and a Department of the Treasury deferral is increased by \$4.1 million in outlays.

The details of each deferral are contained in the attached reports.

JIMMY CARTER

The White House,

February 23, 1978.

NOTE: The attachments detailing the deferrals are printed in the *FEDERAL REGISTER* of March 1, 1978.

## President's Committee on Mental Retardation

*Appointment of Seven Members.  
February 23, 1978*

The President today announced the appointment of seven persons as members of the President's Committee on Mental Retardation for terms expiring May 11, 1980. They are:

ROBERT G. JORDAN, JR., M.D., director of the University of Tennessee Child Development Center;

ANA NAVARRO, M.D., director of the crippled children and mental retardation program of the Family Health Service Division, Assistant Secretariat for Ambulatory Care, of the Puerto Rico Department of Health;

ANDERSON W. POLLARD, community liaison officer for the child psychiatry and mental retardation program at the Neuropsychiatric Institute at UCLA;

LUDWIG ROTHBEIN, member of the Denver Commission for the Disabled and of the Denver Association for Retarded Citizens;

EUNICE KENNEDY SHRIVER, executive vice president of the Joseph P. Kennedy, Jr., Foundation;

FLORENCE K. SIMONS, administrative assistant at Paul Stafford Associates in Washington and a researcher on the family;

SAMUEL WHITMAN, associate dean of government and community relations and assistant professor of community health at Case Western Reserve University.

## Geological Survey

*Nomination of H. William Menard To Be Director. February 23, 1978*

The President today announced that he will nominate H. William Menard, of La Jolla, Calif., to be Director of the Geological Survey. He would replace Vincent E. McKelvey, resigned.

Menard was born December 10, 1920, in Fresno, Calif. He received a B.S. in 1942 and an M.S. in 1947 from California Institute of Technology, and a Ph. D. in geology in 1949 from Harvard University. He served in the U.S. Navy during World War II.

Menard was a marine geologist with the Navy Electronics Laboratory from 1949 to 1955, and since 1955 has been a professor of geology at Scripps Institution of Oceanography. He has also been an independent geological consultant, doing underwater mapping and making deep sea oceanographic expeditions. He has been a technical adviser to a number of Government agencies and is the author of numerous articles and four books.

## United States Mint at Philadelphia

***Nomination of Shallie M. Bey, Jr., To Be Superintendent. February 23, 1978***

The President today announced that he will nominate Shallie M. Bey, Jr., of Lindenwold, N.J., to be Superintendent of the U.S. Mint at Philadelphia. He would replace Nicholas G. Theodore, who has resigned.

Bey was born March 26, 1949, in Gary, Ind. He received a B.S.E.E. from Purdue University in 1971 and an M.B.A. from the University of Pennsylvania in 1977.

From 1971 to 1973, Bey was an engineer with the Sun Oil Co. in Toledo, Ohio. From 1973 to 1977, he was with the Alliance Enterprise Corp. in Philadelphia, a venture capital investment company and Sun Co. subsidiary, where he served as vice president and director in 1973 and 1974 and president and director from 1974 to 1977.

Since 1977 Bey has been planning coordinator for the Sun Co. in Radnor, Pa., where he is responsible for coordinating the planning and operations for six operating subsidiaries.

## Board of Foreign Scholarships

***Appointment of Five Members. February 23, 1978***

The President today announced the appointment of five persons as members of the Board of Foreign Scholarships. They are:

*For terms expiring September 22, 1980*

BARTLE BULL, president and publisher of Firehouse Magazine and a director of the New York Magazine Co.;

MONROE D. DONSKER, professor of mathematics at New York University (reappointment);

TOMAS RIVERA, vice president for administration of the University of Texas at San Antonio;

ELBERT B. SMITH, professor of history at the University of Maryland.

*For a term expiring September 22, 1978*

JEWEL PLUMMER COBB, dean of the college and professor of biological science at Douglass College, Rutgers University.

## Great Lakes Basin Commission

***Appointment of Leila L. Botts as Chairman. February 23, 1978***

The President today announced the appointment of Leila L. Botts, of Ann Arbor, Mich., as Chairman of the Great Lakes Basin Commission. She replaces Frederick Rouse, who has resigned.

Botts, 49, is a native of Oklahoma and holds a B.A. from Oklahoma State University. During the 1950's and 1960's she was a freelance writer and did community and conservation volunteer work in Chicago. She became executive director of the Lake Michigan Federation when it was organized in 1970 as a regional coalition to promote citizen action on environmental issues. Since 1976 she has been Region V Assistant for Congressional and Intergovernmental Relations for the Environmental Protection Agency.

## Committee for Purchase from the Blind and Other Severely Handicapped

***Appointment of Five Members. February 23, 1978***

The President today announced the appointment of five persons as members of the Committee for Purchase from the



Blind and Other Severely Handicapped. They are:

EDMUND ALVAREZ, Director of the Office of Operations of the Department of Agriculture;

ROBERT P. GRAHAM, Commissioner of the Federal Supply Service, General Services Administration;

REAR ADM. EUGENE A. GRINSTEAD, Commander, Naval Supply Systems Command and Chief of Supply Corps for the U.S. Navy;

MAJ. GEN. DEWEY K. K. LOWE, Director of Procurement Policy for the Deputy Chief of Staff, Systems and Logistics, U.S. Air Force;

BRIG. GEN. ERNEST A. VULEY, JR., Director of Materiel Management, U.S. Army Materiel Development and Readiness Command.

## Endangered American Wilderness Act of 1978

*Remarks on Signing H.R. 3454 Into Law.  
February 24, 1978*

THE PRESIDENT. First of all, I want to thank the Members of Congress and the Cabinet who are assembled here for the signing of a very important piece of legislation.

In my environmental message to the Congress in 1977 last May, I urged prompt expansion of the National Wilderness Preservation System, among the most deserving areas that could be lost forever for the American people.

Today I am signing H.R. 3454, the Endangered American Wilderness Act of 1978. This act will add about 1.3 million acres in 10 Western States to the wilderness areas of our country, expanding 4 existing wilderness areas and adding 13 new areas at this time. This represents the largest single addition to the wilderness areas of our country since the original enactment of the wilderness act in 1964,

and it brings the total acreage in this system now to 15.7 million acres.

This bill is critical in preserving areas that are a vital part of our national heritage and that will be enjoyed by our American people in this generation and in generations and centuries to come.

In passing this bill the Congress has adequately addressed, for the time being, the need to protect endangered areas in the continental United States, the 48 lower States. But we still have an opportunity to act on legislation that will preserve crucial wilderness areas in Alaska before some of the most spectacular scenery in the world and the most productive wildlife habitats in the world are lost forever.

My administration has made proposals for Alaskan lands that reconcile needs for development and conservation, working very closely with Members of the Congress, especially those behind me this morning. And I hope that the entire Congress and the administration can press forward together to complete action on these Alaskan lands this year.

I want to express especially my appreciation to Congressman Udall, to Senator Church, to Senator Jackson, to Congressman Roncalio, Congressman Weaver, and also to Secretary Bergland, who helped to make this bill possible. It's a great step forward for our country, and it will be appreciated by Americans many years in the future.

Thank you very much, gentlemen. I'm very proud of the things you have done.

*[At this point, the President signed the bill.]*

Mo, if you and Frank and the others would like to make a brief statement, it would be appreciated.

REPRESENTATIVE UDALL. Well, I don't think I need to sit down. *[Laughter]*

THE PRESIDENT. This chair is not like that ladder I loaned you during the campaign.

REPRESENTATIVE UDALL. He was very generous with that ladder. [*Laughter*]

You know, like football teams, you have good years and bad years, and in some areas you're stronger than in others.

We're going to get an energy bill with the help of Scoop Jackson and you, Mr. President. We're going to do some other things. But in the resource and conservation area, this President and this Congress working together are going to do some things that history will remember.

We've done strip mining after 10 years. We've got endangered wilderness today. We've got Chattahoochee on the road now, this place in Georgia where we're having one of these great urban national parks. The President probably knows where it is. We've got redwoods coming along. And we're going to wrap it all up with Alaska.

That's the greatest resource conservation decision we made in my lifetime. And I was particularly pleased to hear the President give it a plug this morning. We're going to get it out of committee on our side in just a couple of weeks, and we hope the Senate will come along, too.

Thank you.

SENATOR CHURCH. Mr. President, I think Mo has just about said it all. As we've tried to do right by the Lower 48, we're going to try to do right by Alaska as well. I think this is one of the most important pieces of conservation legislation to be enacted in this session of the Congress.

I just want to congratulate you and your administration for the support you've given it and for the action you've taken in signing it into law today.

THE PRESIDENT. The original act was sponsored and supported strongly by two Senators who died recently, Senator Metcalf and Senator Humphrey. But I know that you and Mo and others here, and Scoop, were instrumental in the passage of that original legislation, which was a landmark in progress in our country.

Scoop?

SENATOR JACKSON. Mr. President, I'd merely like to observe that you and your Cabinet officials and your staff have been superb in cooperation with the Congress. I think that's kind of welcome news, from what I've been reading in the press. [*Laughter*] It's been that way across the board. But I think this is an outstanding example of that teamwork. And we're very proud of your help and your support.

THE PRESIDENT. That is mutual. Thanks, Scoop. Anybody else?

Well, I want to thank all of you. This is a wonderful occasion for us. Bob Bergland and Cecil Andrus have both been after me to go out and visit some of these areas, and I look forward to doing that, hopefully, this year.

Thank you.

NOTE: The President spoke at 9:38 a.m. at the signing ceremony in the Cabinet Room at the White House.

As enacted, H.R. 3454 is Public Law 95-237, approved February 24.

## Energy Emergency in Pennsylvania

*Statement by the President.  
February 24, 1978*

Based on a petition submitted to me by the Governor of the State of Pennsylvania, pursuant to Section 110(f) of the Clean Air Act, I hereby determine that a regional energy emergency exists in the State

of Pennsylvania of such severity that a temporary suspension of certain particulate and sulfur dioxide control regulations under the Pennsylvania Air Quality Implementation Plan may be necessary, and that other means of responding to the energy emergency may be inadequate. This determination shall be effective for not more than thirty (30) days, provided that the State of Pennsylvania shall hold the public hearing required by Section 110(f) of the Clean Air Act within 1 week of this determination. If, during the period of suspension, I find that a regional energy emergency no longer exists in Pennsylvania, I will direct that this determination of regional energy emergency be rescinded and that all suspension orders issued by the Governor be terminated effective on the day of that rescission. The Administrator of the Environmental Protection Agency retains full authority to disapprove temporary suspensions of regulations in Pennsylvania and to exercise his emergency powers authority under Section 303 of the Clean Air Act, when and if necessary.

I urge the Governor to act with due care if he suspends air pollution regulations under the authority provided by this determination, since such regulations are important to protect public health. In conducting hearings and making findings, I urge the Governor to consider carefully that suspensions which would allow a facility to burn available fuel which could not otherwise be utilized generally are appropriate. On the other hand, suspensions which permit facilities to turn off pollution control devices should be used sparingly and as a last resort, because such suspensions will accomplish only small energy savings while increasing risks to public health.

I also urge the Governor to implement fully necessary energy conservation meas-

ures so that the necessity for suspension of pollution control regulations can be minimized.

NOTE: The Presidential determination is printed in the *FEDERAL REGISTER* of March 24, 1978.

## Federal Service Impasses Panel

*Appointment of Seven Members.  
February 24, 1978*

The President today announced the appointment of seven persons as members of the Federal Service Impasses Panel. They are:

IRVING BERNSTEIN, professor of political science and research associate at UCLA;

HOWARD G. GAMSER, Washington attorney and arbitrator and adjunct professor of labor law at Georgetown University (also appointed Chairman of the Panel);

JAMES E. JONES, JR., professor of law and industrial relations and director of the Center for Equal Employment and Affirmative Action at the University of Wisconsin's Industrial Relations Research Institute;

JEAN T. MCKELVEY, professor at Cornell's School of Industrial and Labor Relations;

CHARLES J. MORRIS, labor arbitrator, professor at the School of Law, Southern Methodist University, and presently visiting professor at the School of Industrial and Labor Relations at Cornell;

BEVERLY K. SCHAFER, professor of economics at Emory University in Atlanta;

ARTHUR STARK, president of the National Academy of Arbitrators and currently a member of this Panel.

The Federal Service Impasses Panel is an agency of the Federal Labor Relations Council and recommends solutions to negotiation impasses when voluntary arrangements, including the services of the Federal Mediation and Conciliation Service or other third-party mediation, fail to resolve a negotiation impasse.

## Science and Technology Policy Functions

*Executive Order 12039. February 24, 1978*

### RELATING TO THE TRANSFER OF CERTAIN SCIENCE AND TECHNOLOGY POLICY FUNCTIONS

By virtue of the authority vested in me by the Constitution and laws of the United States of America, including Section 7 of Reorganization Plan No. 1 of 1977 (42 FR 56101 (October 21, 1977)), Section 301 of Title 3 of the United States Code, and Section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), and as President of the United States of America, in order to provide for the transfer of certain science and technology functions, it is hereby ordered as follows:

SECTION 1. (a) The transfer, provided by Section 5A of Reorganization Plan No. 1 of 1977 (42 FR 56101) of certain functions under the National Science and Technology Policy, Organization, and Priorities Act of 1976, hereinafter referred to as the Act (90 Stat. 459, 42 U.S.C. 6601 *et seq.*), from the Office of Science and Technology Policy and its Director to the Director of the National Science Foundation is hereby effective.

(b) The abolition of the Intergovernmental Science, Engineering, and Technology Advisory Panel, the President's Committee on Science and Technology, and the Federal Coordinating Council for Science, Engineering and Technology (established in accordance with Titles II, III, and IV of the Act) and the transfer of their functions (Sections 205(b)(1), 303 (a) and (b)(1), and 401 of the Act, 42 U.S.C. 6614(b)(1), 6633(a) and (b)(1), and 6651(e)) to the President of

the United States of America, provided by Section 5A of Reorganization Plan No. 1 of 1977, are hereby effective.

SEC. 2. (a) The intergovernmental science, engineering, and technology functions under Section 205(b)(1) of the Act (42 U.S.C. 6614(b)(1)), which were transferred to the President (see Section 1(b) of this Order), are delegated to the Director of the Office of Science and Technology Policy; *Except that*, the responsibility for fostering any policies to facilitate the transfer and utilization of research and development results is delegated to the Director of the Office of Management and Budget.

(b) The functions vested by subsection (a) of this Section in the Director of the Office of Management and Budget shall be performed in accord with the Director's responsibilities under the Intergovernmental Cooperation Act of 1968 (82 Stat. 1098, 42 U.S.C. 4201 *et seq.*). The Director of the Office of Science and Technology Policy shall advise the Director of the Office of Management and Budget with respect to the needs of State, regional, and local governments which may be assisted by the utilization of science, engineering, and technology research and development results.

(c) The functions vested by subsection (a) of this Section in the Director of the Office of Science and Technology Policy shall be performed in coordination with the Director of the Office of Management and Budget and with others as designated by the President.

(d) To advise the Director of the Office of Science and Technology Policy on the performance of those functions delegated to him by subsection (a) of this Section, he shall establish, in accord with the Federal Advisory Committee Act (5 U.S.C. App. I), an Intergovernmental

Science, Engineering, and Technology Advisory Panel. The Panel members shall include representatives of such Executive agencies and such officials of State and local governments as the Director may designate.

SEC. 3. The Federal science, engineering, and technology functions under Section 303(a) and (b)(1) of the Act (42 U.S.C. 6633(a) and (b)(1)), which were transferred to the President (see Section 1(b) of this Order), are delegated to the Director of the Office of Science and Technology Policy: *Except that*, those functions concerned with reorganization, including Federal-State liaison, are delegated to the Director of the Office of Management and Budget, who shall be provided advice and assistance thereon by the Director of the Office of Science and Technology Policy.

SEC. 4. The science, engineering, and technology and related activities functions under Section 401(e) of the Act (42 U.S.C. 6651(e)), which were transferred to the President (see Section 1(b) of this Order), are delegated to the Director of the Office of Science and Technology Policy.

SEC. 5. There is hereby established the Federal Coordinating Council for Science, Engineering, and Technology. The Council shall be composed of the Director of the Office of Science and Technology Policy, who shall be Chairman, and representatives of such other Executive agencies designated by the Chairman. The head of an agency so designated shall designate an appropriate individual to serve on the Council. The Council shall advise and assist the Director of the Office of Science and Technology Policy in the performance of those functions delegated under Section 4 of this Order.

SEC. 6. The records, property, personnel, and unexpended balances of ap-

propriations, available or to be made available, which relate to the functions transferred, reassigned, or redelegated by this Order are hereby transferred to the Director of the Office of Management and Budget, the Director of the Office of Science and Technology Policy, or the Director of the National Science Foundation, as appropriate.

SEC. 7. The Director of the Office of Management and Budget shall make such determinations, issue such orders, and take all actions necessary or appropriate to effectuate the transfers or reassignments provided by this Order, including the transfer of funds, records, property, and personnel.

SEC. 8. This Order shall be effective on February 26, 1978.

JIMMY CARTER

The White House,  
February 24, 1978.

[Filed with the Office of the Federal Register,  
5:12 p.m., February 24, 1978]

## Environmental Evaluation Functions

*Executive Order 12040. February 24, 1978*

### RELATING TO THE TRANSFER OF CERTAIN ENVIRONMENTAL EVALUATION FUNC- TIONS

By virtue of the authority vested in me by the Constitution and laws of the United States of America, including Section 7 of Reorganization Plan No. 1 of 1977 (42 FR 56101 (October 21, 1977)), and as President of the United States of America, in order to effectuate the transfer of certain environmental quality functions, it is hereby ordered as follows:

SECTION 1. The transfer, provided by Section 5E of Reorganization Plan No. 1 of 1977 (42 FR 56101), of those functions relating to the evaluation provided for by Section 11 of the Federal Non-nuclear Energy Research and Development Act of 1974 (88 Stat. 1878, 42 U.S.C. 5910), from the Council on Environmental Quality and the Office of Environmental Quality to the Administrator of the Environmental Protection Agency shall be effective February 26, 1978.

SEC. 2. The Director of the Office of Management and Budget shall make such determinations, issue such orders, and take all actions necessary or appropriate to effectuate the transfer of functions provided in this Order, including the transfer of funds, personnel and positions, property, records, and other items related to the functions transferred.

JIMMY CARTER

The White House,  
February 24, 1978.

[Filed with the Office of the Federal Register,  
5:13 p.m., February 24, 1978]

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *February 17*

Following his arrival at Providence, R.I., the President toured the Rhode Island Group Health Association facility.

### *February 18*

While in Bangor, Maine, the President attended a breakfast hosted by the Maine State Democratic Committee at Husson College.

Following his arrival at Nashua Senior High School in Nashua, N.H., for the town meeting, the President attended a reception for Senator Thomas J. McIntyre of New Hampshire.

The President returned to the White House from New Hampshire.

The President met in the Cabinet Room with Secretary of Labor F. Ray Marshall and other administration officials to discuss the coal strike.

### *February 20*

The President attended a meeting in the Roosevelt Room with Secretary Marshall, Secretary of Energy James R. Schlesinger, and other administration officials who were discussing the coal strike.

### *February 21*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- the bipartisan congressional leadership, Vice President Walter F. Mondale, and Secretaries Marshall and Schlesinger, to discuss the coal strike;
- James T. McIntyre, Jr., Acting Director of the Office of Management and Budget.

The White House announced that the President has received personal assurances from Lt. Col. Mengistu Haile Mariam, head of the Ethiopian Government,

that Ethiopia does not intend to cross the Somalian frontier. These assurances were conveyed by David Aaron, the President's special emissary to Ethiopia, in a meeting with the President this morning. Mr. Aaron also conveyed an Ethiopian pledge not to interfere in the internal affairs of any of Ethiopia's neighbors. To provide better channels of communication between Ethiopia and the United States, the Ethiopian Government informed Mr. Aaron that agreement to receive a new U.S. Ambassador would be forthcoming in the near future.

The President attended a briefing on the Panama Canal treaties, given for citizens of Nebraska in the East Room.

The President attended an economic briefing for Hispanic American leaders in the State Dining Room.

*February 22*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Representative Sidney R. Yates of Illinois;
- Senator Lloyd Bentsen of Texas;
- Representative Robert Garcia of New York;
- Gov. Brendan T. Byrne of New Jersey;
- Adm. Stansfield Turner, Director of Central Intelligence, and David Aaron, Deputy Assistant for National Security Affairs;
- Vice President Mondale, Secretary of the Treasury W. Michael Blumenthal, Arthur F. Burns, Acting Chairman of the Board of Governors of the Federal Reserve System, Charles L. Schultze, Chairman of the Council of Economic Advisers, and Mr. McIntyre;

—Peter Jay, British Ambassador to the United States;

—Secretary Marshall to discuss the coal strike.

The President attended a briefing on Government reorganization in the Cabinet Room given by administration officials for members of the House Committee on Government Operations.

*February 23*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Senator Sam Nunn of Georgia and Secretary of Defense Harold Brown;
- the National Security Council;
- Secretary Marshall and a group of Congressmen, to discuss the coal strike;
- Mrs. Carter, for lunch;
- Governors Julian Carroll of Kentucky, John D. Rockefeller IV of West Virginia, and Milton J. Shapp of Pennsylvania, to discuss the coal strike.

*February 24*

The President met at the White House with:

- Vice President Mondale, Secretary of State Cyrus R. Vance, and Dr. Brzezinski;
- Dr. Brzezinski;
- representatives of the Bituminous Coal Operators' Association and administration officials to discuss the coal strike;
- Dr. Schultze;
- Senator Henry M. Jackson of Washington;
- chief executives of the National Council of Churches of Christ of America.

The White House announced that the President will visit Venezuela, Brazil, Nigeria, and Liberia on March 28–April 3.

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#### **NOMINATIONS SUBMITTED TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

##### **Submitted February 22, 1978**

MANUEL A. SANCHEZ, JR., of New York, to be Superintendent of the United States Assay Office at New York, New York, vice Nicholas Constanzo, resigned.

P. R. SMITH, of Georgia, to be an Assistant Secretary of Agriculture, vice Robert Haldeman Meyer, resigned.

##### **Submitted February 24, 1978**

SHALLIE M. BEY, JR., of New Jersey, to be Superintendent of the Mint of the United States at Philadelphia, vice Nicholas G. Theodore, resigned.

H. WILLIAM MENARD, of California, to be Director of the Geological Survey, vice Vincent E. McKelvey, resigned.

JAMES R. WILLIAMS, of Ohio, to be United States Attorney for the Northern District of Ohio for the term of 4 years, vice Frederick M. Coleman, resigned.

DWAYNE W. GILBERT, of Georgia, to be United States Marshal for the Middle District of Georgia for the term of 4 years, vice William L. Martin, Jr., deceased.

RICHARD W. NEHRING, of Iowa, to be United States Marshal for the Southern District of Iowa for the term of 4 years, vice Harold M. Grindle, deceased.

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#### **CHECKLIST OF WHITE HOUSE PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

#### **CHECKLIST—Continued**

##### **Released February 18, 1978**

News conference: following a meeting with the President and other administration officials to discuss the coal strike—by Secretary of Labor F. Ray Marshall

##### **Released February 22, 1978**

Statement: administration proposal to reauthorize, improve and extend the Comprehensive Employment and Training Act—by Vice President Walter F. Mondale (as read at a news conference in the Briefing Room)

News conference: on the administration's proposal to reauthorize, improve, and extend the Comprehensive Employment and Training Act—by Vice President Walter F. Mondale; F. Ray Marshall, Secretary, Ernest G. Green, Assistant Secretary for Employment and Training, and Arnold H. Packer, Assistant Secretary for Policy, Evaluation, and Research, Department of Labor; Senators Jacob K. Javits and Donald W. Riegle; and Representatives Augustus F. Hawkins and Ronald A. Sarasin

##### **Released February 23, 1978**

News conference: on the equal employment opportunity enforcement reorganization plan—by James T. McIntyre, Jr., Acting Director, Harrison Wellford, Executive Associate Director for Reorganization and Management, and Howard Glickstein, Director of the Civil Rights Reorganization Project, Office of Management and Budget

Fact sheet: equal employment opportunity enforcement reorganization plan (No. 1 of 1978)

News conference: following their meeting with the President to discuss the coal strike—by Governors Julian Carroll of Kentucky, John D. Rockefeller IV of West Virginia, and Milton J. Shapp of Pennsylvania

Announcement: nomination of James R. Williams to be United States Attorney for the Northern District of Ohio, Dwayne W. Gilbert to be United States Marshal for the Middle District of Georgia, and Richard W. Nehring to be United States Marshal for the Southern District of Iowa



*Administration of Jimmy Carter, 1978*

**CHECKLIST—Continued**

**Released February 24, 1978**

Announcement: the President's trip to South America and Africa on March 28–April 3

Announcement: the President's declaration of an energy emergency for the State of Pennsylvania

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved February 20, 1978**

S. 1360----- Public Law 95–233  
An act to amend section 14(e) of the National Forest Management Act of 1976.

**Approved February 21, 1978**

H.R. 7442----- Public Law 95–234  
Communications Act Amendments of 1978.

**ACTS APPROVED—Continued**

**Approved February 21—Continued**

H.R. 7766----- Public Law 95–235  
An act to authorize the Mayor of the District of Columbia to enter into an agreement with the United States Postal Service with respect to the use of certain public air space in the District of Columbia.

S. 266----- Public Law 95–236  
An act to authorize appropriations for financial assistance to limit radiation exposure to the public from uranium mill tailings used for construction, and for other purposes.

**Approved February 24, 1978**

H.R. 3454----- Public Law 95–237  
Endangered American Wilderness Act of 1978.



# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, March 3, 1978

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## Labor Disputes in the Coal Industry

*Remarks Announcing a Negotiated Settlement. February 24, 1978*

I've just talked on the telephone with the representatives of the Bituminous Coal Operators and also the United Mine Workers. And I'm glad to announce that the United Mine Workers and the coal operators have agreed to a negotiated settlement of their contract dispute.

This is the outcome toward which all of us have been working so hard, especially Secretary of Labor Ray Marshall. We've been devoted to this; it's one on which our country should feel both gratitude and pride. It was because we believed in the free process of collective bargaining that I have been so determined to give that process every chance to work. It has worked. And the settlement it has produced is better for everyone involved—for the mineworkers, the mine-owners, and the public—than would have been the drastic steps that I was prepared to take this evening if the negotiating process had failed.

Although a settlement has been reached, it will not be final until it is studied and democratically ratified by the members of the United Mine Workers. Before I close, I would like to speak directly to them.

The work you do in the mines is sometimes dangerous and always difficult. No one can visit a coal mine, even for a short time, as I have, without coming away with a vivid sense of respect and appreciation for the job you do. Yours is a historic struggle. Whenever there has been progress in the mines, whenever there have been improvements in pay or in safety conditions or in health conditions, it's been because you fought for it. Your dedication to justice in the mines has been matched only by your dedication to your country whenever it needed you, whether in war or in peacetime. The agreement that has been reached today is no different. You struggled for it, and it is a significant achievement.

The choice is now yours to make. But I hope that you will follow the lead of your bargaining council and ratify the negotiated settlement. This agreement serves the national interest, as well as your own interests and those of your families. If it is not approved without delay, time will have run out for all of us, and I will have to take the drastic and unsatisfactory legal action which I would have announced tonight.

The miners and the operators share with the public one overriding interest, which is to resolve the long-term problems of your industry.

I will now appoint a Presidential commission, which has already been discussed with you, to work with union and management to find answers to the basic questions of health, safety, and stable productivity. In the meantime, I offer my congratulations and my sincere thanks to those who have made the collective bargaining process work.

Thank you very much.

NOTE: The President spoke at 7:03 p.m. in the Briefing Room at the White House. His remarks were broadcast live on radio and television.

## Reception for Friends From New Hampshire

*Remarks at the White House Reception.  
February 24, 1978*

My whole family is coming in. We've been very grateful to interrupt the receiving line. Nobody will complain, I'm sure, because we have reached a long-sought agreement on the coal contract, and we hope that within the next 10 days or 2 weeks—[*applause*]. All afternoon I've been writing two speeches: a long one if we failed—and we had television time already arranged for 9 o'clock this evening—and a short one if we succeeded. And I preferred the short speech.

I just spoke to Lucille Kelley and Rosalynn, and I told Lucille that "Second only to you, I've spent more nights with her than I have any other woman in the world." [*Laughter*]

You can't imagine how close we feel to you. Although it's been exactly 2 years since we heard the tremendous news of the New Hampshire primary election returns, you've remained constantly in our hearts.

I went to New Hampshire as a lonely candidate with practically no friends. I

was later followed by all the members of my family and then by hundreds of members of the Peanut Brigade, some of whom are here tonight. And you took us in, and we felt that we were part of you. It was a lot like Georgia, with the small communities, close-knit families, deep religious convictions, a belief in our Nation and what it stands for, a willingness to work hard, sometimes poverty, but always encouragement.

At first we had a hard time knowing what to call you. Some folks said "New Hampshiremen," but we knew the women would get mad. Some folks said "New Hampshireites." Some said "Granite Staters." Somebody in Georgia said, "Just call them Republicans." [*Laughter*] We proved that was wrong. And so finally I and all my family, the Peanut Brigaders, found a word to call you, and that word was "friends." And we thank you for it.

There's a uniqueness about New Hampshire. It's different from every other place in this country, but in many ways, New Hampshire is kind of like the United States in microcosm. You're a miniature picture of what our country is. And in the intense person-to-person campaigning on the streets, in the stores, in shops, factory shift lines, in your homes, later in larger meetings, we became acquainted with the problems of our Nation, with the hopes and dreams and ideals of American people, with issues which we had not previously debated, and with your own ideas.

And it would be hard for you to realize—who come from New Hampshire—how much those early days of a political campaign shape the future campaign itself and the attitudes that I brought into the White House, representing you.

There's a special place in this White House for you, and we've been looking forward with great anticipation to this anniversary of your gift to me. And I want to

tell you that I will always do the best I can to make you proud.

I was glad to come back to Nashua this past weekend to be with my friend, Tom McIntyre, with John Durkin, with many of you, and to receive the tough questions from the high school students. [*Laughter*]

Future candidates will find a well-trained new generation to cross-examine when we come into your State. And I want to tell you that we would like to say this is your home. We're glad to have you here and hope you have a good time.

Thank you very much.

NOTE: The President spoke at 7:10 p.m. in the East Room at the White House.

## Generalized System of Preferences for Developing Countries

*Executive Order 12041. February 25, 1978*

### AMENDING THE GENERALIZED SYSTEM OF PREFERENCES

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including Title V and Section 604 of the Trade Act of 1974 (88 Stat. 2066, 19 U.S.C. 2461 *et seq.*; 88 Stat. 2073, 19 U.S.C. 2483), and as President of the United States of America, in order to modify, as provided by Section 504(c) of the Trade Act of 1974 (88 Stat. 2070, 19 U.S.C. 2464(c)), the limitations on preferential treatment for eligible articles from countries designated as beneficiary developing countries, and to adjust the original designation of eligible articles taking into account information and advice received in fulfillment of Section 503(a) and 131-134 of the Trade Act of 1974, it is hereby ordered as follows:

SECTION 1. In order to subdivide existing items for purposes of the Generalized System of Preferences (GSP), the Tariff Schedules of the United States (TSUS) are modified as provided in Annex I, attached hereto and made a part hereof.

SEC. 2. Annex II of Executive Order No. 11888 of November 24, 1975, as amended, listing articles that are eligible for benefits of the GSP when imported from any designated beneficiary developing country, is further amended as provided in Annex II, attached hereto and made a part hereof.

SEC. 3. Annex III of Executive Order No. 11888, as amended, listing articles that are eligible for benefits of the GSP when imported from all designated beneficiary countries except those specified in General Headnote 3(c)(iii) of the TSUS, is amended by substituting therefor the new Annex III, attached hereto and made a part hereof.

SEC. 4. General Headnote 3(c)(iii) of the TSUS, listing articles that are eligible for benefits of the GSP except when imported from the beneficiary countries listed opposite those articles, is amended by substituting therefor the new Annex IV, attached hereto and made a part hereof.

SEC. 5. The amendments made by this Order shall be effective with respect to articles that are both: (1) imported on or after January 1, 1976, and (2) entered, or withdrawn from warehouse, for consumption on or after March 1, 1978.

JIMMY CARTER

The White House,  
February 25, 1978.

[Filed with the Office of the Federal Register,  
10:44 a.m., February 27, 1978]

NOTE: Annexes I, II, III, and IV are printed in the FEDERAL REGISTER of February 28, 1978.

The text of the Executive order was released on February 27.

## Advisory Commission on Intergovernmental Relations

*Appointment of Abraham D. Beame as Chairman. February 27, 1978*

The President today announced the appointment of Abraham D. Beame as Chairman of the Advisory Commission on Intergovernmental Relations.

Beame, 71, was mayor of New York City from 1974 to 1978. He began his career in city government in 1946, serving as assistant budget director for New York City. In 1952 he was promoted to budget director. In 1962 Beame was elected comptroller of New York, and he continued in this post until 1965, when he won the Democratic mayoral nomination. He did not win the election that year, and during the next 4 years of private life, he was a consultant in the area of finance. In 1969 he was reelected as comptroller, and in 1973 he was elected mayor.

The Advisory Commission on Intergovernmental Relations was established in 1959 to bring together representatives of Federal, State, and local governments for consideration of common problems. It has 26 members, of whom 20 are appointed by the President (3 private citizens, 3 executive branch officials, 4 Governors, 3 representatives of State legislatures, 4 mayors, and 3 county officials), 3 by the President of the Senate, and 3 by the Speaker of the House.

## Council on Wage and Price Stability

*Message to the Congress Transmitting a Report. February 27, 1978*

*To the Congress of the United States:*

In accordance with Section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the

Congress the twelfth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council's activities during the third quarter of 1977 in monitoring both prices and wages in the private sector and various Federal Government activities that may lead to higher costs and prices without creating commensurate benefits. It discusses Council reports, analyses, and filings before Federal regulatory agencies.

In August 1977 I asked the Council to undertake an in-depth study of the Nation's steel industry. The study was released in October and served as an important information base in the Administration's development of its reference price system for imports of foreign steel.

Also in the third quarter, at the request of Secretary of HUD Patricia Roberts Harris, the Council accelerated its study of lumber prices and the lumber products industry.

The Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

JIMMY CARTER

The White House,  
February 27, 1978.

NOTE: The report is entitled "Quarterly Report: October 1977—Council on Wage and Price Stability, Executive Office of the President, Washington, D.C., No. 12" (Government Printing Office, 32 pages).

## Elementary and Secondary Education

*Remarks Announcing the Administration's Proposals to the Congress. February 28, 1978*

Good morning, everybody. My first public job was as a member of the Sumter County School Board, and I've never

lost my early conviction that the noblest task of government is education. In this task, the Federal Government must be a strong and reliable partner for the State and local governments.

There are three major elements in my education proposals to Congress for this year.

First, I've asked Congress to work with me in creating a Cabinet-level department of education, as was promised during the campaign. Education is far too important a matter to be scattered piecemeal among various Government departments and agencies, which are often busy with sometimes dominant concerns. We must pull our education programs together if we are to assure them of the full attention that they deserve.

Secondly, I recently proposed a plan to Congress that would make financial help available each year to 2 million more college students than are now eligible. College costs have gone up 77 percent in the last 10 years, a burden on many low- and middle-income families that we must help to ease.

No able student should be denied a college education because a family cannot afford it. My proposals now being considered by Congress will bring us closer to making this a reality.

Today, as the third element in this year's educational program, I'm sending Congress my major legislative proposals on elementary and secondary education. Altogether, we are seeking for next year an increase over this year's spending of 26 percent and a total increase of 46 percent—\$4 billion increase in these 2 fiscal years.

These much needed, additional funds

for elementary and secondary education are the largest proposed by any President since the creation of the program by President Johnson and the Congress more than 10 years ago.

Most of these changes will let us channel Federal funds more efficiently, effectively, and directly to those so often short-changed in our educational system because of social problems or because of poverty.

Today's proposals also will focus our Nation's resources in helping our children master the basic skills, often in recent years neglected—reading, writing, and arithmetic—which remain critical to their ability to function in a complex society.

We must do a better job of teaching these basic skills to all our children. We cannot fail to make the best use of our primary weapon against ignorance and lack of opportunity—our schools. As we improve our elementary and secondary school system, all Americans will benefit.

Now the Vice President has a statement, and Secretary Califano. We have a group of key congressional leaders. Joe Califano will explain that some who were going to be here this morning, who support the program very strongly, are working hard in the House and Senate on the first two elements that I described to you. And I'd like to introduce now, the Vice President.

NOTE: The President spoke at 10:32 a.m. to reporters assembled in the Briefing Room at the White House. Following the President's remarks, Vice President Walter F. Mondale spoke and then introduced Secretary of Health, Education, and Welfare Joseph A. Califano, Jr., who held a news conference on the proposals.

## Elementary and Secondary Education

*Message to the Congress. February 28, 1978*

*To the Congress of the United States:*

I am submitting today my proposals to strengthen our major elementary and secondary education programs. These are one part of a concerted effort to reestablish education in the forefront of our domestic priorities. The other parts are major increases in the Federal education budget, establishment of a Cabinet-level Department of Education, and our proposal for a significant expansion of eligibility for college student assistance.

The proposals which I am now submitting for elementary and secondary education seek to enhance the primary role of the states and local communities in educating our Nation's children and reaffirm the need for a strong and supportive Federal commitment to education. They will:

- strengthen our commitment to basic skills education in Title I of the Elementary and Secondary Education Act—the compensatory education program; and add a new provision to concentrate a major share of increased Title I funding on those school systems most in need;
- create a new program to encourage state implementation of their own compensatory education programs;
- provide additional flexibility in the Emergency School Aid Act, designed to assist in desegregation, so that funds can be retargeted from areas where they are no longer needed to areas of greater need;
- create a new research and demonstration effort in the area of basic skills, and enhance our efforts to link schools with employers and other community resources;
- implement a phased, gradual but substantial reform of the Impact Aid Program;
- strengthen the bilingual education program with emphasis on teaching English as a primary and overriding goal but permitting flexibility in use of first language and culturally sensitive approaches to help achieve this goal;
- strengthen participation of private schools in existing grant programs.

We can be justly proud of the accomplishments of our system of education. Education has promoted understanding among a diverse people; it has been the springboard to advancement for generations of our citizens; and it has produced the skills and knowledge required for this country to have the most advanced economy in the world.

Yet our schools face many important challenges. We must do a better job of teaching the basic skills of reading, writing and mathematics. We must remain committed to full and equal educational opportunity for all children. We must help students achieve educational excellence. We must responsibly reduce the financial barriers that limit access to higher education. And we must give education a more prominent and visible role in the Federal government.

We will face these challenges and overcome them. No asset is of greater value to our Nation and no commitment is so characteristic of the American people as our strong commitment to educate all our children.

### EDUCATION BUDGET

The Administration's budget proposals for the coming year show the priority we give to education. Our FY 1979 budget contains \$12.9 billion in appropriations for the Education Division of the Department of Health, Education and Welfare.



That represents an increase of 24 percent above the FY 1978 level and a total increase of 46 percent and \$4 billion in the last two fiscal years.

I have requested appropriations of \$6.9 billion for elementary and secondary education, an increase of fifteen percent over FY 1978. This increase is the largest since the creation of the program and exceeds the FY 1977 budget by \$1.7 billion. Along with these increases goes a forty percent increase in student assistance programs for higher education and a new effort to expand the reach of these programs to moderate income families hard-pressed by escalating tuition costs. Funding for these student assistance programs will rise from \$3.8 billion in FY 1978 to \$5.2 billion in FY 1979.

This budget reflects the judgment, widely shared by the Congress, that improving the education of our children is a wise investment in our future.

#### DEPARTMENT OF EDUCATION

I have instructed the Office of Management and Budget and the Department of Health, Education and Welfare to work with Congress on legislation needed to establish a Department of Education which will:

- let us focus on Federal educational policy, at the highest levels of our government;
- permit closer coordination of Federal education programs and other related activities;
- reduce Federal regulations and reporting requirements and cut duplication;
- assist school districts, teachers, and parents to make better use of local resources and ingenuity.

A separate Cabinet-level department will enable the Federal government to be a true partner with State, local, and private education institutions in sustaining

and improving the quality of our education system.

#### COLLEGE STUDENT ASSISTANCE

I recently proposed a major expansion of the programs providing financial assistance to students in higher education. Average college costs have increased by seventy-seven percent in the last ten years. At average costs of \$4,500 per year in private higher education and \$2,500 in public universities low and middle income families are finding it difficult to send their children to college. No able student should be denied a college education because his or her family cannot afford tuition, room and board.

My proposals will increase the number of students receiving assistance from three million to more than five million at a cost of \$1.46 billion. The proposals would:

- expand the Basic Educational Opportunity Grants program to serve students from families with incomes up to \$25,000 and increase the maximum grant to \$1,800;
- make interest-subsidized Guaranteed Student Loans available to families with incomes up to \$45,000;
- provide part-time jobs to college students through an expanded College Work-Study Program.

This coordinated program is the best way to meet the needs of our students and their families. I strongly oppose the enactment of a tuition tax credit.

A college tuition tax credit would cost too much, would provide benefits to those without need, would provide less benefit to genuinely hard-pressed families than the proposals we have advanced, and would fragment educational policy within the executive and legislative branches of the Federal government.

A choice must be made. We cannot afford—and I will not accept—both a tui-

tion tax credit and the increased student aid I have proposed. I strongly urge the Congress to act responsibly on the Administration's proposals.

#### ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1978

The legislation I am submitting today involves the major elementary and secondary education programs. Since the Administration of Lyndon Johnson the primary role of these Federal programs has been to support improvements in educational quality for all children and improve the educational opportunities and achievements of the disadvantaged, the handicapped, those with limited English language skills, Native Americans and other minorities. I propose to continue and strengthen the use of Federal resources to meet special needs, and Federal leadership in research and innovation.

These programs must focus on the mastery of the basic skills necessary to function in our highly complex society. Every child should obtain the basic skills of reading, writing and mathematics early in his or her educational career. This should be the fundamental goal for our entire education system, and I hope that Federal leadership will help us meet that goal at every level of our school system.

#### SPECIAL PROGRAMS FOR DISADVANTAGED CHILDREN

I propose to improve Title I of the Elementary and Secondary Education Act which provides supplemental educational services to economically disadvantaged children.

##### *1. Concentration of Resources*

Recent evaluations show that Title I is beginning to raise the achievement levels of low-income students. I propose to build upon this success by incorporating in the reauthorization of the Act a separate au-

thority to increase help for school districts with high concentrations of poor children. The amendments I propose will target additional Title I funds to school districts with large numbers of poor children (5,000 or more) or large proportions of poor children (20 percent or more), for use in programs with a strong emphasis on basic skills. I have requested \$400 million in the 1979 budget for this proposal, which would aid 3,500 school districts and could increase the number of Title I eligible children served to 6.5 million.

This targeting of additional funds on areas of greatest need will be of special benefit to urban school systems with concentrations of low-income children. It is an important part of our efforts to help meet the needs of our cities. Yet the problems of educational disadvantage are not unique to cities; therefore, while 67% of the funds will flow to center-city school systems, 33% will flow to rural and suburban school systems which have similar needs.

##### *2. State Programs for Disadvantaged Children*

Strong State efforts are clearly necessary to fully meet the needs of disadvantaged children. Currently, however, fewer than twenty States have special programs to aid disadvantaged students. To encourage the creation of compensatory education programs at the State level, I recommend that a share of future increases in the Title I program be allocated, on the basis of one Federal dollar for every two State dollars, to States with qualified compensatory education programs of their own. In fiscal year 1980 twenty percent of any increases would be devoted to this matching program. In future years an increasing percentage would be made available.

I hope this Federal incentive program will encourage a response at the State

level which will give greater opportunities to millions of children.

#### EMERGENCY SCHOOL AID ACT

We must move aggressively to end the last vestiges of racial and ethnic mistrust and disharmony in our schools and in our society as a whole. Great progress toward that goal has been made, particularly in the South, but much remains to be done.

The Emergency School Aid Act has helped numerous local school districts respond to the problems of racial isolation and improve education for all their children. I recommend amendments to that legislation which would:

- encourage voluntary local initiatives to overcome the adverse effects of minority group isolation;
- offer flexibility to meet the needs of desegregating districts;
- and encourage multi-year planning and implementation of desegregation.

To give us more flexibility in meeting changing needs, I propose to increase the share of discretionary funds from 22 percent to 42 percent. This will permit allocation of resources to areas of greatest need. At the same time I am recommending a new system of multi-year grants which will sharply reduce paperwork and will help local school systems plan for the future.

#### BASIC SKILLS

The Federal government can play an important role in funding research and demonstration projects which will show us how to improve the quality and effectiveness of our educational system. Student achievement can be improved through innovation, and a concentration on basic skills. I propose several improvements in this area:

- the creation of a new Basic Skills and Educational Quality title in the

Elementary and Secondary Education Act which would encourage state and local demonstration efforts to improve basic skills in reading, writing and mathematics, including increased use of achievement testing and the participation by parents in teaching their children;

- the creation of a new Special Projects title in the Elementary and Secondary Education Act to consolidate educational quality developmental programs and provide greater flexibility; and strengthen our efforts, through the Community Schools program, to link the school with employers and other resources in the surrounding community;
- changes in the Adult Education Act to put more emphasis on competency in basic skills and on obtaining high school credentials, and to increase sponsorship of adult education programs by business, labor and other community organizations.

#### IMPACT AID

Reform of Impact Aid is a challenge which must be faced. The purpose of the program is to compensate school districts for the cost of educating children when local revenues are reduced by tax-exempt federally-owned land and when local school enrollments are increased by children whose parents live and/or work on that land. Yet Impact Aid, as currently structured, has strayed far from that purpose.

The legislation I propose makes realistic and responsible reforms:

- elimination of payments for children whose parents work on Federal property outside the country in which the school district is located;
- a two-year cap on payments which are based on public housing at the

- 1978 level followed by a phase out of the payments;
- an “absorption” provision which will reduce funding for lightly impacted districts by eliminating payments for children of Federal employees below three percent of non-federal enrollment.

To ease the adjustment to these changes I recommend a gradually declining “hold-harmless” provision under which no district will receive less than seventy-five percent of its previous year’s payments over the next three years. I also propose that advance funding be made so that districts can be notified early of their allocations.

These proposals will save \$76 million in FY 1979 and \$336 million in FY 1982. I believe they are a realistic way to start bringing the Impact Aid program into line with the actual Federal burden on local school districts.

#### BILINGUAL EDUCATION

Three million children today lack equal access to education in our schools because of their limited English-speaking ability. The Bilingual Education Act is designed to help local school systems develop and implement programs to help these children. The proposals I am submitting today will improve the bilingual education program by:

- emphasizing the overriding goal of achieving proficiency in English;
- permitting the flexible use of instructional materials and teaching techniques appropriate and sensitive to the language, background and needs of the child;
- making parents more involved;
- requiring that individual programs be of sufficient scope and duration to have a substantial educational impact;

- allowing English speaking children to take part in bilingual education programs;
- providing more money for teacher training and emphasizing the use of bilingual teachers; and
- increasing research in new teaching techniques.

Because the Bilingual Education Program is a demonstration program, every effort must be made to ensure that funds are used to help local school districts to establish and maintain programs of their own. To ensure that Federal demonstration funds benefit as many children as possible, I am proposing that program grants ordinarily be limited to five years. Districts will be required to show how they will ensure that educational progress is maintained following the phase-out of grant monies.

In addition, I am proposing that the Office of Bilingual Education be made responsible for coordinating bilingual education aspects of other programs administered by the Office of Education.

#### PRIVATE SCHOOLS

Private schools—particularly parochial schools—are an important part of our diverse educational system. Federal education programs have long required benefits to go to eligible students in both public and private schools. But this requirement has not been effective in practice. I am committed to doing all that the Constitution allows to ensure students in private schools benefit from Federal programs.

I propose the following changes to improve services to private school students:

- States will be required to develop plans for ensuring the equitable participation of private school students in all Federal educational programs.

—The Title I program will be changed to require that economically disadvantaged children in private schools receive comparable funds to those received by public school students, with similar needs.

—Where a school district fails to provide appropriate Federal educational benefits under any program to eligible private school children, authority will be used to by-pass the district and use another agency to provide constitutionally permissible services.

Private school children must receive fair treatment under Federal education programs. However I cannot support a tax credit for private elementary and secondary school tuition. First, there is grave doubt that such a tax credit program can meet Constitutional requirements concerning separation of church and State. Second, the Federal government provides funding primarily to help meet the needs of public school children who are disadvantaged, or handicapped, or bilingual, or who have some other form of special need. We do not provide general support for public schools and it would be unfair to extend such support, through a general tax credit, to private schools.

I will continue to do all I can, within Constitutional limits, to provide for full and equitable participation of private schools and their students in Federal education efforts.

#### WOMEN'S EDUCATIONAL EQUITY ACT

In order to assist in the elimination of sexual discrimination in education I propose to make the Women's Educational Equity Act an independent authority and expand its role in assisting local school districts.

#### CONCLUSION

The proposals I have outlined today—to strengthen our basic education laws,

substantially increase the education budget and undertake major organizational reform aimed at creating a Cabinet-level Department of Education—set forth a far-reaching agenda for education. These proposals are important not only for what they offer our children today, but for what they offer to all of us in the future: a country that is stronger, more united and better equipped to meet the challenges that lie before us.

JIMMY CARTER

The White House,  
February 28, 1978.

## United States-Italy Agreement on Social Security

*Message to the Congress Transmitting the Agreement. February 28, 1978*

*To the Congress of the United States:*

In accordance with section 233(e) (1) of the Social Security Act as amended by the Social Security Amendments of 1977 (P.L. 95-216; 42 U.S.C. 1305 note), I transmit herewith the Agreement between the United States of America and the Italian Republic on the Matter of Social Security, signed May 23, 1973, the Administrative Protocol for the Agreement, signed November 22, 1977 (together with a procès-verbal setting forth certain interpretative understandings) and an exchange of notes of January 17-20, 1978 clarifying the interpretation of Article 1, paragraph K, of the Agreement.

The Agreement fulfills a long-standing commitment made by the two Governments in the 1951 Supplementary Agreement to their 1948 Treaty of Friendship, Commerce, and Navigation. This totalization agreement would be the first such agreement undertaken by the United

States, but is in the tradition of a number of earlier treaties between the United States and Italy. The first United States treaty to deal with any aspect of social security was concluded with Italy in 1913, and the 1948 treaty of Friendship, Commerce and Navigation with Italy was the first of the post World War II era to contain broad social security provisions. This totalization agreement can be expected to be even more advantageous to Americans who have worked in Italy, either as U.S. citizens or before their immigration to this country, than any of the earlier treaties or agreements.

I also transmit for the information of the Congress a comprehensive report prepared by the Department of Health, Education, and Welfare which explains the provisions of the Agreement and provides the actuarial data on the number of persons affected by the agreements and the effect on social security financing as required by the same provision of the Social Security Amendments of 1977.

The Department of State and the Department of Health, Education, and Welfare join in commending this Agreement, Protocol and Exchange of Notes.

JIMMY CARTER

The White House,  
February 28, 1978.

## Council on Environmental Quality

*Message to the Congress Transmitting a Report. February 28, 1978*

*To the Congress of the United States:*

In 1977, we took together a number of important measures to protect and improve our environment. Most notable were the "mid-course correction" amendments that strengthened the basic goals

of our air and water pollution control laws; a strong stripmining bill; and our selection, with Canada, of the least damaging route for a natural gas pipeline from Alaska to the lower 48 states.

The Administration began reviews of traditional policies on our use and development of natural resources, especially water and non-fuel minerals; put into effect new policies to reduce oil spills and regulate development of oil and gas on the Outer Continental Shelf; proposed expansions of wilderness and park areas; started work on a coherent Federal strategy for the control of toxic substances; and advocated measures to curb nuclear proliferation. On some of these matters we submitted legislative proposals to Congress.

We share a record of solid accomplishment in the environmental area, and we have set out worthwhile plans for the future.

In June, 1977, the Council on Environmental Quality convened a series of meetings at my direction. The purpose was to develop recommendations for improving National Environmental Policy Act procedures, including the familiar "environmental impact statement". CEQ solicited testimony from corporations, state governments, labor unions, environmental groups, other Federal agencies, and the public.

Virtually every witness criticized some aspect of the Government's procedures for translating environmental policy into practical action. But, remarkably, *not a single witness* called for the repeal or serious weakening of the National Environmental Policy Act. On the contrary, all agreed that the goals of NEPA were sound, and that its procedures—while needing improvement—should be retained.

Such unanimity on the value of NEPA indicates to me how far we have come in

those few years since we first began to see the damage we were doing to our surroundings. Not long ago, environmental awareness was frequently seen as an emotional excess and an economic disaster. But now, concern for the integrity of our natural systems has become an accepted criterion for judging our actions.

We have not yet learned, of course, to balance all our environmental objectives against the other social goals that must concern us. But it is now clear that the American people believe our needs for food, for shelter, and for the necessities as well as the amenities of civilization, can be met without continuing the degradation of our planet. It is clear that they wish, as Congress stated in the National Environmental Policy Act, "to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans."

In less than a year, this Administration and this Congress have substantially advanced the American search for "productive harmony" with our earth. I pledge to continue this search with you.

JIMMY CARTER

The White House,  
February 28, 1978.

NOTE: The report is entitled "Environmental Quality: The Eighth Annual Report of the Council on Environmental Quality—December 1977" (Government Printing Office, 445 pages).

## National Governors' Conference

*Remarks at a White House Reception for Governors Attending the Mid-Winter Conference. February 28, 1978*

This is an evening for hospitality and friendship, for dancing and conversation, and not for speeches. And I wanted to

say on behalf of myself and Rosalynn and Fritz and Joan [Mondale], the members of our Cabinet and staff, that we're delighted to have all of you come to the White House to be our guests here. It's your home as well as ours.

This is a home that's been occupied by every President since George Washington, and there's been great history made and great entertainment, and great leaders have occupied this beautiful room here on the east side of the White House.

When I was in the State senate, I always felt that I could go to the Governor of my State and get all the answers to my problems. When I got to be Governor, I felt that I could come and see the President and I could get all the answers to my problems. And now that I'm President, I feel like I can go back to the Governors. [*Laughter*]

I think your Mid-Winter Conference has been superb. I've had reports from my own staff, Jack Watson, and also our Cabinet members, some of whom are here tonight. I think it's been a hard-working, dedicated group, and the partnership that exists between us, as Fritz pointed out to you today, is one that's very valuable to us here in Washington.

So, I'd like for you tonight just to get to know us better, the new Governors of you; sympathize with me, the ones that were Governors when I was. And I give my condolences to the ones who are visiting the White House for the last time as Governors.

But I would like to say now that we have a wonderful store ahead of us of superb entertainment. This past Sunday afternoon we had a historical performance on this platform by Vladimir Horowitz, perhaps the greatest, certainly one of the greatest pianists who ever lived. And tonight we have wonderful entertainment in store for us again. Our country has produced great musicians, and one of the

most beautiful and talented of those is Beverly Sills.

This is a night for dancing and for waltzing. She's going to sing some selections from "The Merry Widow," and she'll be accompanied by a great baritone, Allan Titus. So, Beverly, if you and Allan would come forward, we are very eager to hear from you.

NOTE: The President spoke at 8:35 p.m. in the East Room at the White House.

## Black Lung Benefits Reform Act of 1977

*Remarks on Signing H.R. 4544 Into Law.  
March 1, 1978*

THE PRESIDENT. I think the attendance here this morning at this signing ceremony indicates the extreme importance of this legislation. Coal mining has always been a difficult and a dangerous trade, and among its most tragic risks has been black lung disease.

Three weeks ago, I signed a bill that provided for a new trust fund to be supported by an excise tax on coal to pay for black lung benefits. Today, I'm quite pleased to sign House bill 4544, the Black Lung Benefits Act of 1977, to strengthen the administration of that program.

These two bills, in conjunction with the Mine Safety and Health Amendments Act of 1977, which was signed last year, amount to a comprehensive Federal effort to reduce the human and social costs to our growing dependence on coal.

Coal miners have a right to working conditions as free as possible from dangerous coal dust. The black lung program recognizes that miners and their families also deserve compensation under a fair system when they contract this terrible

disease and die or are disabled as a result of their work in the mines.

In the past, miners disabled by black lung disease too often have been denied the benefits they deserve. This bill will remedy many defects in the program. It simplifies and streamlines the process of filing for benefits and expands the eligibility to include respiratory and pulmonary impairment other than just to the lungs.

It eliminates unfair rules and time limits that have prevented disabled miners and their survivors from receiving benefits. The Labor Department will now be allowed to set fair standards of eligibility, based on the latest medical developments. Together, these amendments will ensure that more miners and their families will receive the benefits that they deserve.

The Congress and my administration have worked closely to develop these bills because of our great concern about the tragic effects of black lung disease. Many Members of the Congress have worked for this bill and the companion revenue bill already passed.

I want especially to thank Congressman Perkins in the House and Jennings Randolph in the Senate, who have visited me frequently about this legislation since I've been in office, and also, of course, Congressmen Thompson and Ullman, Senators Byrd, Williams, Long, and Dee Huddleston, and many others on the committees for the passage of these good reforms.

We could not restore life or health to the victims of this disease, but we can at least help to lift the financial burdens that these disabled miners and their families must bear. This bill accomplishes that goal.

As we've come to recognize, increased coal production is vital to our success in meeting future energy needs. But in-



creased coal production must not be accomplished at the expense of greater suffering for coal miners and their families. This bill is another demonstration that the Federal Government will do all it can to give miners the support and the fair treatment that they deserve.

On behalf of the people of our country and particularly those States where coal mining is a major industry, I want to express my deep thanks to the Members of the Congress, to the members of the Cabinet, and to other interested persons who have made this comprehensive legislation—three major bills in the last 6 or 8 months—possible to alleviate the affliction that has for so long been suffered by the brave and courageous and dedicated and sometimes long-suffering coal miners of our country.

*[At this point, the President signed the bill.]*

Senator Randolph, would you like to say a word?

SENATOR RANDOLPH. Mr. President, there is a commitment not only of your administration but of the Congress and, especially, I think, of the American people to do justice in connection with what has now become law. It's been a long battle, really, to aid the miners and their survivors. We began in 1969, and that was the first bill.

Senator Williams, Senator Byrd, Senator Javits, Senator Stafford, many, many in the Senate remember those days. We did that, Mr. President—and I must not speak too long—we did it one year before we passed the occupational health and safety legislation, because it was believed in the House and in the Senate that this had a priority, this type of work done by the miners.

Then, as you know, and others who are gathered here—and I express appreciation to all of them—we had the amend-

ments of 1972, where we had relied on the X-ray, practically without any other proof, and we brought in pulmonary and respiratory ailments as possible proof of black lung. And then in 1977, we continued with legislation that, I think, is the finalization of this effort.

And as you and all who are here know, we have moved from the Federal payments of the Government, now, to the tonnages which will be produced by the miners—50 cents a ton on deep mining, 25 cents a ton on surface mining. And so, I'm sure Arnold Miller will recognize the need for productivity of coal, because this is the manner in which the money will come in with which the black lung payments will be made.

This final thought: We believe there are approximately 170,000 to 190,000 pending and denied cases that will be reviewed and, hopefully, acted on as quickly as possible.

I think this is a good day for America, Mr. President. It's a day not just of compassion, but it's a day of the realization of the responsibility of people to help those who deserve help. And I take this moment—and I'll be forgiven—I want to say that Anice Floyd stands here at the left, never missing a day in working on these matters. And I want to thank her, because she represents, really, thousands and thousands of people.

I never am a partisan in the sense of being, you know, a partisan that goes too far. *[Laughter]* But I want to say in the final days of the enactment of this legislation—Bob, and you know it—on the Hill, Senator Javits deserves very, very much credit. He helped us in a very difficult time, when in the conference it looked as if we might not make it.

And although we had some rather rough words—and I hope Carl Perkins somehow will know what I've said about him—that no one labored more diligently

than Carl Perkins, certainly, who understands the problems of coal and coal mining, than did this Representative in the Congress.

Now, if I've spoken too long, it's only to express appreciation to all the Members of the Congress who worked since '69, including now, '78, on this vital legislation, and to express the belief that when you, Mr. President, with your close attention to these later bills, which really summarize what has been done—and these are very vital because of the changeover that takes place—that justice has been done, and these men, their survivors will live with more dignity and with comfort and, yes, with faith in America.

THE PRESIDENT. Congressman Perkins is not here, and I'm very sorry that he can't be, because he's devoted a major part of his effort to this legislation, as has been so generously recognized by Senator Randolph. But Frank Thompson is here. Frank, perhaps you'd like to say a word.

REPRESENTATIVE THOMPSON. Mr. President, I'd like to express my deep appreciation to you for your interest and the cooperation that we had from your administration on this, to my colleagues in the other body, to my House Members. It fell upon me to introduce the substitute at my distinguished friend and chairman's request, Carl Perkins.

And happily, the substitute carried healthily, as did the conference report. This is a great day of joy for me and for my distinguished New Jersey colleague, Senator Williams, chairman of the Senate committee. We don't have much coal mining in New Jersey, Mr. President, but we sure use a lot of it, and we need it.

Thank you.

THE PRESIDENT. Well, almost all of the Members of Congress here could make a very heartfelt statement about this legislation. The bills that have been passed in other years, 1969 and before, only set up

temporary programs. And one thing that hasn't been mentioned is that this now makes these programs permanent.

There's no future threat, I don't believe, that the coal miners would be deprived of this fair and just right to expect compensation for their suffering.

I want to express again my thanks to all of you. It's always difficult to know whom to call on to speak and whom to ignore. But I think in my choice this morning, you've heard the eloquence and the deep feelings of both the House and Senate expressed.

Thank you very much.

NOTE: The President spoke at 9:33 a.m. at the signing ceremony in the State Dining Room at the White House.

As enacted, H.R. 4544 is Public Law 95-239, approved March 1.

## Department of State and International Communication Agency

*Nomination of Alice Stone Ilchman To Be an Assistant Secretary of State and an Associate Director of the Agency. March 1, 1978*

The President today announced that he will nominate Alice Stone Ilchman, of Wellesley, Mass., to be an Assistant Secretary of State. She would replace Joseph Duffey, and her area of responsibility would be educational and cultural affairs. The President also announced that he will nominate Ilchman to be an Associate Director of the International Communication Agency.

Ilchman was born April 18, 1935, in Cincinnati, Ohio. She received a B.A. from Mount Holyoke College in 1957, an M.P.A. from Maxwell School of Citizenship, Syracuse University, in 1958, and a Ph. D. from London School of Economics in 1965.

From 1961 to 1964, Ilchman was a faculty member at Berkshire Community College in Pittsfield, Mass. From 1966 to 1968 and in 1969–70, she was program director at the Center for South and Southeast Asia Studies at the University of California at Berkeley and a lecturer and political scientist at Berkeley. In 1968–69 she was director of Berkeley's Professional Studies Program in India.

From 1971 to 1973, Ilchman was a lecturer in the division of policy planning and administration of the School of Education at Berkeley. Since 1973 she has been dean of the college and professor of economics and education at Wellesley College.

## Federal Civil Service Reform

***Remarks Announcing the Administration's Proposals to the Congress. March 2, 1978***

*President Aukofer and distinguished guests and friends:*

This is the third time I've visited here, and I was thinking on the way over about the first two occasions. The last time I was here I was Governor of Georgia, and I came up to make a preliminary announcement of my candidacy for President. I went back to Atlanta that night and made the actual announcement. I think the headline was, "National Press Club Invites Unknown Governor To Speak." [Laughter]

The first time I came I was also Governor of Georgia, and actually the news story was that I was trying to get an appointment with John Ehrlichman's assistant. And I might report I was unsuccessful in doing so. [Laughter]

Today, in order to leave as much time for questions as possible, I'd like to make a brief but a very important statement about one of the most important aspects

of government. I came to Washington with a promise and the obligation to rebuild the faith of the American people in our government. We want a government that can be trusted, not feared; that will be efficient, not mired in its own redtape; a government that will respond to the needs of the American people, and not be preoccupied with needs of its own.

Taxpayers who work hard for their money want to see it spent wisely. We all want a government that's worthy of confidence and respect. That is what reorganization is all about.

We have no illusions that this task will be easy. Our Government and its bureaucracy have evolved over many generations, and the work of reform cannot be completed in a single year or a single administration of a President.

But we have begun. We have already adopted zero-based budgeting in all the agencies of Government. We've cut the burden of paperwork on the public and reduced excessive Government regulation, replacing it with free market competition. At OSHA and in other Federal agencies, we are discarding obsolete regulations and rewriting rules in plain and understandable English. We've cut significantly the number of employees in the Executive Office of the President and abolished hundreds of unneeded advisory committees.

But all that is not enough. The single most important step that we can take is a thoroughgoing reform of the civil service system. Civil service reform will be the centerpiece of Government reorganization during my term of office.

I've seen at first hand the frustration among those who work within the bureaucracy. No one is more concerned at the inability of Government to deliver on its promises than the worker who is trying to do a good job.

Most civil service employees perform with spirit and integrity. Nevertheless, there is still a widespread criticism of Federal Government performance. The public suspects that there are too many Government workers, that they are underworked, overpaid, and insulated from the consequences of incompetence.

Such sweeping criticisms are unfair to dedicated Federal workers who are conscientiously trying to do their best. But we have to recognize that the only way to restore public confidence in the vast majority who do work well is to deal effectively and firmly with those who do not.

The two complaints most often heard against the present system are that Federal employees have too little protection against political abuse and too much protection against legitimate assessment of performance and skills. These charges sound contradictory, but both of them happen to be true. And the system that perpetuates them needs to be changed.

For the past 7 months, a task force of more than 100 career civil servants has analyzed the civil service, explored its weaknesses and strengths, and suggested how it can be improved. Their judgments are reflected in the message that I will send to the Congress today. Some of the leading congressional reorganizers are here with me, and I would say in gratitude to them that there's been an unprecedented, close working relationship between the Congress, its staff members, and the White House, the Office of Management and Budget, and others.

Today, I'd like to outline these proposals and explain the reasoning behind them. They represent the most sweeping reform of the civil service system since it was created nearly 100 years ago.

The simple concept of a merit system has grown into a tangled web of complicated rules and regulations. Managers are weakened in their ability to reward

the best and most talented people and to fire those few who are unwilling to work.

The sad fact is that it is easier to promote and to transfer incompetent employees than it is to get rid of them. It may take as long as 3 years merely to fire someone for a just cause, and at the same time the protection of legitimate rights is costly and time-consuming for the employee.

You cannot run a farm that way, you cannot run a factory that way, and you cannot run a government that way.

We've lost sight of the original purpose, which was to reward merit. More than 99 percent of all Federal employees get a so-called merit rating. And last year, out of about 2 million employees, only 226 people lost their jobs for incompetence or inefficiency. That's about one one-hundredth of 1 percent.

So, my first proposition is this: There is not enough merit in the merit system. There is inadequate motivation because we have too few rewards for excellence and too few penalties for unsatisfactory work.

We must encourage better performance in ways that are used widely and effectively already throughout private industry in our country.

Top Federal employees are ready and willing to respond to the risks and rewards of competitive life, and public service will be healthier when they have that chance.

We must strike a new balance that preserves the merit principle while giving managers the incentive and the authority in hiring and to manage.

We propose to do this first by creating a Senior Executive Service, whose 9,200 members will be available to serve wherever in Government they are most needed. Participation in this effort will be voluntary. They will be eligible for annual bonuses for superior performance and can be moved from the Senior Executive Serv-

ice back to their previous civil service status for poor performance.

I'll also ask the Congress to authorize the use of incentive pay for the 72,000 Federal managers and supervisors in grades GS-13 through GS-15, which is a far more attractive and sensible acknowledgement of merit than the silver water carafes and the thicker carpets that pass for recognition today. They will no longer receive automatic step increases in pay without regard for performance.

Another proposal which will improve managerial excellence is a speedier and a fairer disciplinary system which will create a climate in which managers may discharge nonperforming employees, using due process, of course, with reasonable assurance that their judgment, if valid, will prevail. At the same time, employees will receive a more rapid hearing for their own grievances.

The procedures that exist to protect employee rights are absolutely essential. But employee appeals must now go through the Civil Service Commission, which has a built-in conflict of interest by serving simultaneously as rulemaker, prosecutor, judge, and employee advocate.

So, my second proposition is: Employees still have too little protection for their rights. I propose to divide the present Civil Service Commission into two bodies—an Office of Personnel Management to improve the productivity and performance of Federal workers, and a Merit Protection Board to stand watch against merit abuses and to resolve the appeals which are brought by employees.

I will also propose an Office of Special Counsel to investigate merit violations and to protect the so-called whistleblowers who expose gross management errors and abuses.

And finally, I propose the creation of a Federal Labor Relations Authority to remedy unfair labor practices within the

Government, much as the National Labor Relations Board does now in private industry. In addition, we will continue to work with Congress and the Federal employees to develop legislation which, while recognizing the special requirements of the Federal Government, will improve Federal labor practices.

One other serious defect remains; that's the network of rules governing hiring, staffing, and tenure. We should give each agency more control over its own hiring rather than the Civil Service Commission, which now takes as long as 6 or 8 months merely to fill important positions.

Current rules which often impede the hiring of qualified women, minorities, and the handicapped, by giving veterans a lifetime advantage under civil service laws, must be changed. (They provide an advantage)<sup>1</sup> far beyond the benefits that are provided under other veterans programs, which are designed legitimately to ease the readjustment from military back to civilian life.

Therefore, we propose to reduce the preferential advantage given to nondisabled veterans to a 10-year period and to end this preference altogether for senior military officers who retire with pension benefits after a full military career. At the same time, we will strengthen provisions to ensure that disabled veterans and those who served during and since Vietnam are fully protected under the civil service laws.

Let me be straightforward about the implications of all this. Our proposals will mean less job security only for incompetent Federal employees, but conscientious civil servants will benefit from a change that recognizes and rewards good performance.

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<sup>1</sup> Printed in the transcript.

Our proposals deal with the major changes that must now be made. By enacting them, we will make employment in the civil service more challenging, more profitable, more productive, and a more gratifying career. But the greatest beneficiaries will be the American people, who can expect to see a more competent and efficient and responsive government—one that is worthy of the people it was created to serve.

Thank you very much.

NOTE: The President spoke at 12:07 p.m. in the ballroom at the National Press Club. Frank Aukofer is president of the National Press Club.

## THE PRESIDENT'S NEWS CONFERENCE OF MARCH 2, 1978

### INTERNATIONAL ECONOMY

FRANK AUKOFE. Oddly enough, we have questions that don't relate to what your speech was about, Mr. President.

The first question, which has been in the news much lately is—this comes from James Cary of the Copley News Service—what are you going to do about the deteriorating dollar and the basic cause of its collapse, soaring foreign oil imports? And a related question, by Joseph Slevin of the Slevin Economic Report, saying that European financial officials say the U.S. should defend the dollar more vigorously.

THE PRESIDENT. Thank you, Frank. I spent a lot of time studying about the American dollar, its value in international monetary markets, the causes for the recent deterioration as it relates to other major currencies. I can say with complete assurance that the basic principles of monetary values are not being adequately assessed on the current international monetary markets. There are

three that I would like to mention specifically.

First of all, the attractiveness of investment in our own country compared to other nations is rapidly increasing. One of the reasons is the higher interest rates that can be paid on investments in our country.

Another one is the rapidly increasing consumption of oil that occurred during 1977. This caused us a great deal of concern. In 1978, we will not have that circumstance. Present trends and future projections show that at the worst we'll have a leveling off of imports of foreign oil, one of the major causes of legitimate deterioration in the quality of the dollar.

And the other point is the degree with which American economic recovery or growth compares to potential purchases of our own goods. In this last year, our own rate of growth was about 3 percent greater than the average of our major trading partners. That difference will be substantially less in 1978. We will still have adequate growth, but our major trading partners will have better growth than they had last year.

So, these three basic causes in 1977 for some lowering in the dollar's value will be much better in 1978. We do move aggressively and adequately to prevent disorderly market circumstances when that need is obvious to us. We'll continue to do that. But my own belief is that these basic principles that assess the legitimate value of the dollar have not been adequately observed recently. My guess is that in the future over a longer period of time, what I've just told you will be observed, and the dollar will remain in good shape.

### THE COAL STRIKE; ADMINISTRATION'S PERFORMANCE

Q. We have a number of questions on coal. This one from Richard Strout of

the Christian Science Monitor. Do you feel that the administration waited too long before intervening in the coal strike?

THE PRESIDENT. No. [*Laughter*]

Q. On another subject—[*laughter*—recent public opinion polls—this from Judy Woodruff of NBC—show a continuing decline in the rating people give you for your job performance as President. How concerned are you that your administration is perhaps developing a reputation for fumbling and ineptitude because of incidents like the Marston firing or for a failure to exert leadership because of the stalemate on the energy bill?

THE PRESIDENT. I might say that we have had to deal, and have decided to deal, with some longstanding, very difficult, controversial issues that in some instances had not been adequately addressed by my predecessors. I say that without criticism.

But obviously we needed a comprehensive energy policy years ago. No one has ever proposed it to the Congress from the White House until last April 20. This needs to be acted upon immediately by the Congress. The House completed its action last August. We still have not been able to break a deadlock in the Senate energy committees. Hard work is going on on that right now. It's one of the contributing causes to the lowered value of the dollar overseas. I think if we can get a resolution of the natural gas issue alone in the conference committees, immediately there would be a restoration of confidence in our Nation's will to act on a difficult question and our competence to deal with those complicated issues.

Obviously, we have addressed other measures that are difficult as well. We've had remarkable success, I think, in the last year in holding down the increase in inflation, in reducing substantially the unemployment rate, in having a carefully predicted increase in our gross national

product. We've got a good record on budget preparation, cooperation with the House and the Senate, and we have learned in this last year.

There is some criticism that we acted too late in the coal strike and too early by others. My own deep commitment is that whenever the collective bargaining system can function, government ought to let it function. And I think, had we precipitously imposed our will in the coal strike deliberations, that effort would have been counterproductive. I don't know what the miners will do this weekend. I hope they'll vote affirmatively on the negotiated settlement. But I think it was not an exhibition of irresoluteness on our part. It was a carefully balanced judgment about what we should do.

We have addressed some questions on the Middle East that in the past had too long been ignored, trying to bring about a comprehensive settlement there. This is a very difficult, complicated issue over which we don't have control. We have encouraged direct negotiations with Israel and the major Arab countries. We've been successful in seeing that occur because of the action by foreign leaders, between Begin and Sadat, something that was hoped for for generations, or at least for decades. We've seen a recognition of Israel's right to exist by Egypt, and progress has been made; obviously, not yet have we been successful.

So, I think that the polls show that my own personal popularity is very high. The assessment of how successful our administration has been is disappointing, but it's a partnership between us and Congress, between us and the nations in the Middle East, between us and the coal miners and the coal operators. And government doesn't have the unilateral, autocratic control over some of these very difficult issues.

So, I'm concerned that there has not been a resolution of all of these major confrontations and disputes. But we're making good progress, and I'm not disappointed at the progress that we have made. I'm certainly not disappointed at our willingness to tackle issues that have historically been difficult to resolve.

#### NEW YORK CITY

**Q.** You mentioned your predecessors; this question relates to one of them. It's from Paul Healy of the New York News.

**Mr. President,** 2 years ago President Ford said from this podium that there would be no emergency Federal financial aid to New York City, prompting the famous Daily News headline, "Ford to City: 'Drop Dead.'" Yet President Ford later supported a loan program to the city that seems more generous than the one outlined on Capitol Hill today by Secretary Blumenthal. What is your response to this?

**THE PRESIDENT.** In the first place, as you know, the Congress moved well to prevent bankruptcy of the New York City government. We've had very close personal consultations with the mayor and other city officials, the banks, the unions, the Governor, and the congressional delegation here in Washington.

Yesterday afternoon I talked to the mayor, Mayor Koch, to the Governor, Governor Carey, and to Senator Moynihan, yesterday and this morning to Secretary of Treasury Mike Blumenthal. I think the proposal that has been put forward is basically adequate. It's obviously not everything that the New York City officials would want.

We believe in sharing the responsibility between the Federal Government—with the guaranteed loans—and those other entities that I described, local lending institutions, the unions' trust fund, the

city government, and the State government.

This does provide a long-range guarantee of loans. It's not month by month or even year by year. Secretary Blumenthal recommended a 15-year period during which we would guarantee up to \$2 billion in loans. I think it's a very reasonable and also very adequate proposal, and it's one that we are not presenting to the Congress idly. We intend to fight for it. And I know that there's a great deal of concern in the Congress that this might be a proposal that's too generous. I think it's adequate, not overly generous, and one that's worthy of our support. And it will get our support.

#### THE MIDDLE EAST

**Q.** Later this month you'll be meeting with Prime Minister Menahem Begin from Israel. Dick Ryan of the Detroit News asks: What do you hope to achieve during your meetings with the Prime Minister?

**THE PRESIDENT.** This will be my third meeting with Prime Minister Begin since he's been the leader of Israel. In addition, I communicate with him fairly frequently by personal letter, by diplomatic message, and on occasion by telephone. And both our own Secretary of State and other officials and his secretary of state and other officials come here frequently. Defense Minister Weizman will be here shortly to consult with me and with the Secretary of Defense, Secretary of State, and others.

We are looking for some common ground on which the Egyptians, the Israelis, the Jordanians, the residents of the West Bank and other areas can agree.

This is a difficult and sensitive question. As you know, the Gaza Strip has had an affiliation in the past with Egypt, the West Bank with Jordan, both now



occupied by Israel. And we hope to search out at the top level of government some resolution of the differences on specifics relating to the Sinai and also on a statement of principles relating to the occupied territories of the West Bank and the Gaza Strip, hoping at that time that Egypt and the Jordanians and the Palestinian Arabs who live in the West Bank, Gaza Strip would be satisfied to conclude perhaps some agreements and to proceed with further negotiations leading to an ultimate resolution of the issue, based on United Nations Resolution 242.

One of the crucial elements of any progress in the Middle East is a cleaving to the commitment that U.N. 242 is a basis for continued negotiations and a solution. The abandonment of that would put us back many months or years. So, this is what I hope to accomplish with Prime Minister Begin, to frankly discuss with him my previous agreements and discussions with President Sadat, to encourage direct negotiations to be resumed, and to search out common ground, based on advice given to me by Secretary of State Vance and also by Mr. Atherton, on the latest possible language changes that might be necessary to let Egypt and Israel agree. So, this is what I hope to accomplish, and I believe the personal discussions will be good.

I would much prefer that the personal discussions be carried on between Sadat and Begin. But in the absence of that possibility at this moment, we hope to restore it and act as an intermediary.

#### CIVIL SERVICE REFORM

Q. There are several questions here related to the civil service reorganization. This is a combined question from Mary McGrory of the Washington Star and Mark Goodin of the Houston Post.

The first part is, what sort of protection will the Office of Special Counsel

provide for whistleblowers? And the other part is that Frank Snepp, the ex-CIA agent, is the most famous whistleblower of all, writing a book exposing incompetence and treachery. After a report to the Inspector General produced no results, you're prosecuting him. How does this encourage whistleblowing?

THE PRESIDENT. Well, I'd like to respond to those completely unbiased questions. [*Laughter*] I don't look on Frank Snepp as one of the greatest whistleblowers of all times. He signed voluntarily a contract, later confirmed this agreement with the Director of the CIA, that before his book was published that it would be examined to assure there were no revelations of secret material. And I have not read the book; don't know the substance of it. I don't believe that he has revealed anything that would lead to an improvement in our security apparatus or the protection of Americans' civil rights.

But the Attorney General has decided that when a contract is signed that it ought to be honored. If everyone who came into the CIA or other highly secret organizations in Government felt free to resign because of a dispute or to retire at the end of satisfactory service and then write a book revealing our Nation's utmost secrets, it would be very devastating to our Nation's ability to protect ourselves in peace or war and to negotiate on a confidential and successful basis with other government leaders.

So, I believe that this is important as a distinction to be drawn. The Special Counsel will be there, independent from me, to protect through the courts, if necessary, those who are legitimate whistleblowers and who do point out violations of ethics, or those who through serious error hurt our country. And this is a function that's not presently extant. I think it will be a step in the right direction, and there will be presentation after investiga-

tion to both the public and, if necessary, to the mechanism by which employees' rights are protected and, on an appeal basis, to the courts themselves.

#### SOVIET INVOLVEMENT IN THE HORN OF AFRICA

Q. Mr. President, this is from Warren Rogers of the Trib of New York. With the Soviets active now in the Horn of Africa, and with other strains in U.S.-Soviet relations, what hope do you have for early resumption of SALT talks?

THE PRESIDENT. The SALT talks have never been discontinued or delayed. They are ongoing now, and the Soviet involvement in the Horn has not interrupted that process. We do not initiate any Government policy that has a linkage between the Soviet involvement in Ethiopia-Somalia dispute on the one hand and SALT or the comprehensive test ban negotiations on the other.

Obviously any negotiation, if concluded successfully at the executive level, would have to be ratified by the Congress, who would be heavily influenced by opinion of the American people. And the fact that the Soviets have over-armed to the teeth, the Somalians who then use Soviet weapons to invade Ethiopia and now are over-arming Ethiopia and directing their military effort has caused a threat to peace in the Horn area of Africa.

We have added our own importunities for a peaceful resolution and our own caution comments to the Soviets. They have assured me directly through Foreign Minister Gromyko that the Ethiopians would not cross the Somalia border. We have sent a delegation to meet with President Mengistu, who assured me personally that they would not cross the Somalia border.

We have three hopes there that we trust and certainly hope that the Soviets will honor.

One is a Somalian withdrawal from the territories which they occupy in eastern Ethiopia, in the Ogaden area; secondly, a removal from Ethiopia of Cuban and Soviet troops; third, a lessening of the tensions that exist between those countries and an honoring of the sometimes arbitrarily drawn international boundaries in Africa.

And we would hope that the OAU, the Organization of African Unity, would become more successful in their efforts to resolve this dispute in a peaceful way. But at this time, Somalia is the invading nation. We have refused to send any weapons into that area or permit third countries who bought weapons from us to transfer them into that area, and I think our policy is completely accurate.

The Soviets' violating of these principles would be a cause of concern to me, would lessen the confidence of the American people in the word and peaceful intentions of the Soviet Union, would make it more difficult to ratify a SALT agreement or comprehensive test ban agreement if concluded, and therefore, the two are linked because of actions by the Soviets. We don't initiate the linkage.

#### U.S.-BRITISH AIR SERVICES AGREEMENT

Q. Mr. President, we have several questions related to the Braniff Airways low-cost service between Dallas and London, one from Ross Mark of the Daily Express of London, and another from Roy Bode of the Dallas Times-Herald.

First of all, have you received a recommendation from the CAB for retaliatory action, and do you plan to take such action against the British carrier? And secondly, do you believe that the British Government is abiding by its commitments in the Bermuda II airline agreements?

THE PRESIDENT. I have not received a recommendation from the CAB at this

moment. When the recommendation gets to me, I, by law, will have to act and will act immediately.

I don't know enough about the issue, the details of the British Government ruling, to know whether or not they have violated the agreement that was concluded this past year. My guess is, knowing the British, that they have not violated the agreement specifically. But, as you know, an agreement can't be that detailed to anticipate every individual ruling that will be concluded by the CAB on our side or its equivalent agency on the British side. I don't know much about the issue yet.

But if there is a violation, we would express our concern directly to Prime Minister Callaghan. And when the CAB gives me a report and a recommendation, the chances are that I would honor it.

We have had notable success in 1977 in increasing competition, particularly in international routes of air carriers. We have encouraged the additional competition of American airlines in this area, as well. We hope to get the Congress to act on substantial deregulation in the airline industry within our country. I believe that we've made notable success already, and we have withstood a tremendous pressure from the British to have more Government protection, which would be contrary to competition in the agreement that we reached last year.

#### SOCIAL SECURITY FUNDS

Q. At the risk of showing favoritism, I'll ask a question from Jack Cole of the Milwaukee Journal. Would you support legislation to reduce social security payroll taxes by transferring the hospital care and disability portions of the program to funding by general Treasury funds?

THE PRESIDENT. I don't think that 1978 is the time to further modify in any substantial way the social security law

which was just passed this past year. Our own recommendation to Congress in 1977 did involve some transfer of funds and some use of general funds from the Treasury if the unemployment rate and/or the inflation rate caused excessive drains on the reserve funds. I think the Congress was very courageous and acted properly in increasing social security payments into the funds to maintain the integrity of the system itself.

Had they not acted, we would be in a crisis stage right now. We are convinced that the recommendations that I have made to the Congress to lower income taxes will compensate in almost every instance for the increase in social security tax payments that were passed by a previous administration, and also increased this past year.

So, I don't think 1978 is the proper time to change it. I think that the principles of partial use of general funds under certain circumstances is a sound one that we did advocate, and transfer of moneys from one fund to another is a principle which we would also espouse when the time comes, if it does, for additional changes in the social security law. That's what we recommended last year.

#### HAMILTON JORDAN

Q. Mr. President, we thank you very much for appearing here today, and I have one final question for you for which I'll take full responsibility.

In view of the 33-page, so-called Jordan report, is there any truth to the rumor that you're planning a White House conference on etiquette in singles bars? [*Laughter*]

THE PRESIDENT. This is a matter that had not previously come to my attention until just before this press conference. [*Laughter*] I've known Hamilton Jordan a long time, and I have discounted the

story because they said he was drinking amaretto and cream. [Laughter] The White House conference is certainly worthy of consideration. My own personal advice would be that perhaps in the future Hamilton might substitute peaches for the amaretto. [Laughter]

NOTE: President Carter's twenty-sixth news conference began at 12:20 p.m. in the ballroom at the National Press Club. Frank Aukofer is president of the National Press Club.

## Federal Civil Service Reform

*Message to the Congress. March 2, 1978*

*To the Congress of the United States:*

I am transmitting to the Congress today a comprehensive program to reform the Federal Civil Service system. My proposals are intended to increase the government's efficiency by placing new emphasis on the quality of performance of Federal workers. At the same time, my recommendations will ensure that employees and the public are protected against political abuse of the system.

Nearly a century has passed since enactment of the first Civil Service Act—the Pendleton Act of 1883. That Act established the United States Civil Service Commission and the merit system it administers. These institutions have served our Nation well in fostering development of a Federal workforce which is basically honest, competent, and dedicated to constitutional ideals and the public interest.

But the system has serious defects. It has become a bureaucratic maze which neglects merit, tolerates poor performance, permits abuse of legitimate employee rights, and mires every personnel action in red tape, delay and confusion.

Civil Service reform will be the center-

piece of government reorganization during my term in office.

I have seen at first hand the frustration among those who work within the bureaucracy. No one is more concerned at the inability of government to deliver on its promises than the worker who is trying to do a good job.

Most Civil Service employees perform with spirit and integrity. Nevertheless, there is still widespread criticism of Federal government performance. The public suspects that there are too many government workers, that they are underworked, overpaid, and insulated from the consequences of incompetence.

Such sweeping criticisms are unfair to dedicated Federal workers who are conscientiously trying to do their best, but we have to recognize that the only way to restore public confidence in the vast majority who work well is to deal effectively and firmly with the few who do not.

For the past 7 months, a task force of more than 100 career civil servants has analyzed the Civil Service, explored its weaknesses and strengths and suggested how it can be improved.

The objectives of the Civil Service reform proposals I am transmitting today are:

- To strengthen the protection of legitimate employee rights;
- To provide incentives and opportunities for managers to improve the efficiency and responsiveness of the Federal Government;
- To reduce the red tape and costly delay in the present personnel system;
- To promote equal employment opportunity;
- To improve labor-management relations.

My specific proposals are these:

1. *Replacing the Civil Service Commission with an Office of Personnel Management and a Merit Protection Board*

Originally established to conduct Civil Service examinations, the Civil Service Commission has, over the years, assumed additional and inherently conflicting responsibilities. It serves simultaneously both as the protector of employee rights and as the promoter of efficient personnel management policy. It is a manager, rule-maker, prosecutor and judge. Consequently, none of these jobs are being done as effectively as they should be.

Acting under my existing reorganization authority, I propose to correct the inherent conflict of interest within the Civil Service Commission by abolishing the Commission and replacing it with a Merit Protection Board and Office of Personnel Management.

The Office of Personnel Management will be the center for personnel administration (including examination, training, and administration of pay and benefits); it will not have any prosecutorial or adjudicative powers against individuals. Its Director will be appointed by the President and confirmed by the Senate. The Director will be the government's management spokesman on Federal employee labor relations and will coordinate Federal personnel matters, except for Presidential appointments.

The Merit Protection Board will be the adjudicatory arm of the new personnel system. It will be headed by a bipartisan board of three members, appointed for 7 years, serving non-renewable overlapping terms, and removable only for cause. This structure will guarantee independent and impartial protection to employees. I also propose to create a Special Counsel to the Board, appointed by the President and confirmed by the Senate, who will investigate and prosecute political abuses and

merit system violations. This will help safeguard the rights of Federal employees who "blow the whistle" on violations of laws or regulations by other employees, including their supervisors.

In addition, these proposals will write into law for the first time the fundamental principles of the merit system and enumerate prohibited personnel practices.

2. *A Senior Executive Service*

A critical factor in determining whether Federal programs succeed or fail is the ability of the senior managers who run them. Throughout the Executive Branch, these 9200 top administrators carry responsibilities that are often more challenging than comparable work in private industry. But under the Civil Service system, they lack the incentives for first-rate performance that managers in private industry have. The Civil Service system treats top managers just like the 2.1 million employees whose activities they direct. They are equally insulated from the risks of poor performance, and equally deprived of tangible rewards for excellence.

To help solve these problems I am proposing legislation to create a Senior Executive Service affecting managers in grades GS-16 through non-Presidentially appointed Executive Level IV or its equivalent. It would allow:

- Transfer of executives among senior positions on the basis of government need;
- Authority for agency heads to adjust salaries within a range set by law with the result that top managers would no longer receive automatic pay increases based on longevity;
- Annual performance reviews, with inadequate performance resulting in removal from the Senior Executive Service (back to GS-15) without any right of appeal to the Merit Protection Board.

Agency heads would be authorized to distribute bonuses for superior performance to not more than 50 per cent of the senior executives each year. These would be allocated according to criteria prescribed by the Office of Personnel Management, and should average less than five per cent of base salary per year. They would not constitute an increase in salary but rather a one-time payment. The Office of Personnel Management also would be empowered to award an additional stipend directly to a select group of senior executives, approximately five per cent of the total of the Senior Executive Service, who have especially distinguished themselves in their work. The total of base salary, bonus, and honorary stipend should in no case exceed 95 per cent of the salary level for an Executive Level II position.

No one now serving in the "supergrade" managerial positions would be required to join the Senior Executive Service. But all would have the opportunity to join. And the current percentage of non-career supergrade managers—approximately 10 per cent—would be written into law for the first time, so that the Office of Personnel Management would not retain the existing authority of the Civil Service Commission to expand the proportion of political appointees.

This new Senior Executive Service will provide a highly qualified corps of top managers with strong incentives and opportunities to improve the management of the Federal government.

### *3. Incentive Pay for Lower Level Federal Managers and Supervisors*

The current Federal pay system provides virtually automatic "step" pay increases as well as further increases to keep Federal salaries comparable to those in private business. This may be appropriate for most Federal employees, but perform-

ance—not merely endurance—should determine the compensation of Federal managers and supervisors. I am proposing legislation to let the Office of Personnel Management establish an incentive pay system for government managers, starting with those in grades GS-13 through GS-15. Approximately 72,000 managers and supervisors would be affected by such a system which could later be extended by Congress to other managers and supervisors.

These managers and supervisors would no longer receive automatic "step" increases in pay and would receive only 50 per cent of their annual comparability pay increase. They would, however, be eligible for "performance" pay increases of up to 12 per cent of their existing salary. Such a change would not increase payroll costs, and it should be insulated against improprieties through the use of strong audit and performance reviews by the Office of Personnel Management.

### *4. A Fairer and Speedier Disciplinary System*

The simple concept of a "merit system" has grown into a tangled web of complicated rules and regulations.

Managers are weakened in their ability to reward the best and most talented people—and to fire those few who are unwilling to work.

The sad fact is that it is easier to promote and transfer incompetent employees than to get rid of them.

It may take as long as three years merely to fire someone for just cause, and at the same time the protection of legitimate rights is a costly and time-consuming process for the employee.

A speedier and fairer disciplinary system will create a climate in which managers may discharge non-performing employees—using due process—with reason-

able assurance that their judgment, if valid, will prevail.

At the same time, employees will receive a more rapid hearing for their grievances.

The procedures that exist to protect employee rights are absolutely essential.

But employee appeals must now go through the Civil Service Commission, which has a built-in conflict of interest by serving simultaneously as rule-maker, prosecutor, judge, and employee advocate.

The legislation I am proposing today would give all competitive employees a statutory right of appeal. It would spell out fair and sensible standards for the Merit Protection Board to apply in hearing appeals. Employees would be provided with attorneys' fees if they prevail and the agency's action were found to have been wholly without basis. Both employees and managers would have, for the first time, subpoena power to ensure witness participation and document submission. The subpoena power would expedite the appeals process, as would new provisions for prehearing discovery. One of the three existing appeal levels would be eliminated.

These changes would provide both employees and managers with speedier and fairer judgments on the appeal of disciplinary actions.

##### *5. Improved Labor-Management Relations*

In 1962, President John F. Kennedy issued Executive Order 10988, establishing a labor-management relations program in the Executive Branch. The Executive Order has demonstrated its value through five Administrations. However, I believe that the time has come to increase its effectiveness by abolishing the Federal Labor Relations Council created by Executive Order 10988 and transferring its functions, along with related functions of

the Assistant Secretary of Labor for Labor Relations, to a newly established Federal Labor Relations Authority. The Authority will be composed of three full-time members appointed by the President with the advice and consent of the Senate.

I have also directed members of my Administration to develop, as part of Civil Service reform, a Labor-Management Relations legislative proposal by working with the appropriate Congressional Committees, Federal employees and their representatives. The goal of this legislation will be to make Executive Branch labor relations more comparable to those of private business, while recognizing the special requirements of the Federal government and the paramount public interest in the effective conduct of the public's business. This will facilitate Civil Service reform of the managerial and supervisory elements of the Executive Branch, free of union involvement, and, at the same time, improve the collective bargaining process as an integral part of the personnel system for Federal workers.

It will permit the establishment through collective bargaining of grievance and arbitration systems, the cost of which will be borne largely by the parties to the dispute. Such procedures will largely displace the multiple appeals systems which now exist and which are unanimously perceived as too costly, too cumbersome and ineffective.

##### *6. Decentralized Personnel Decisionmaking*

Examining candidates for jobs in the career service is now done almost exclusively by the Civil Service Commission, which now may take as long as six or eight months to fill important agency positions.

In addition, many routine personnel management actions must be submitted to the Civil Service Commission for prior approval. Much red tape and delay are

generated by these requirements; the public benefits little, if at all. My legislative proposals would authorize the Office of Personnel Management to delegate personnel authority to departments and agencies.

The risk of abuse would be minimized by performance agreements between agencies and the Office of Personnel Management, by requirements for reporting, and by follow-up evaluations.

#### 7. *Changes in the Veterans Preference Law*

Granting preference in Federal employment to veterans of military service has long been an important and worthwhile national policy. It will remain our policy because of the debt we owe those who have served our nation. It is especially essential for disabled veterans, and there should be no change in current law which would adversely affect them. But the Veterans Preference Act of 1944 also conferred a *lifetime benefit* upon the non-disabled veteran, far beyond anything provided by other veterans readjustment laws like the GI Bill, the benefits of which are limited to 10 years following discharge from the service. Current law also severely limits agency ability to consider qualified applicants by forbidding consideration of all except the three highest-scoring applicants—the so-called “rule of three.” As a result of the 5-point lifetime preference and the “rule of three”, women, minorities and other qualified non-veteran candidates often face insuperable obstacles in their quest for Federal jobs.

Similarly, where a manager believes a program would benefit from fewer employees, the veterans preference provides an absolute lifetime benefit to veterans. In any Reduction in Force, all veterans may “bump” all non-veterans, even those with far greater seniority. Thus women and minorities who have recently acquired middle management positions are more likely to lose their jobs in any cutback.

Therefore I propose:

- Limiting the 5-point veterans preference to the 10 year period following their discharge from the service, beginning 2 years after legislation is enacted;
- Expanding the number of applicants who may be considered by a hiring agency from three to seven, unless the Office of Personnel Management should determine that another number or category ranking is more appropriate;
- Eliminating the veterans preference for retired military officers of field grade rank or above and limiting its availability for other military personnel who have retired after at least 20 years in service to 3 years following their retirement;
- Restricting the absolute preference now accorded veterans in Reductions in Force to their first 3 years of Federal employment, after which time they would be granted 5 extra years of seniority for purposes of determining their rights when Reduction in Force occurs.

These changes would focus the veterans preference more sharply to help disabled veterans and veterans of the Viet Nam conflict. I have already proposed a 2-year extension of the Veterans Readjustment Appointment Authority to give these veterans easier entry into the Federal workforce; I support amendments to waive the educational limitation for disabled veterans and to expand Federal job openings for certain veterans in grades GS-5 to GS-7 under this authority. I propose that veterans with 50% or higher disability be eligible for non-competitive appointments.

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These changes are intended to let the Federal Government meet the needs of the American people more effectively. At



the same time, they would make the Federal work place a better environment for Federal employees. I ask the Congress to act promptly on Civil Service Reform and the Reorganization Plan which I will shortly submit.

JIMMY CARTER

The White House,  
March 2, 1978.

## Meeting With Kenyan Delegation

*White House Statement. March 2, 1978*

President Carter and a group of his senior advisers had discussions this morning with the Kenyan delegation headed by Vice President Daniel arap Moi. They discussed the situation in the Horn of Africa and Kenyan-U.S. relations. President Carter reaffirmed the U.S. Government's longstanding policy of close support for Kenya and assured the Kenyans that the United States will continue to supply Kenya with economic and military assistance. Both countries share a deep concern for the conflicts which have developed in the Horn of Africa. Measures which could be taken to bring the conflict to an end were discussed, and it was found that Kenyan and American perceptions of the fundamental problems of the area are very similar.

## United Nations

*Letter to the Speaker of the House and the  
Chairman of the Senate Foreign Relations  
Committee Transmitting a Report.  
March 2, 1978*

*Dear Mr. Speaker: (Dear Mr. Chairman:)*

In accordance with Section 503 of the Foreign Relations Authorization Act for

Fiscal Year 1978, I am pleased to submit to the Congress a report on recommendations for reform of the United Nations. Also enclosed is a detailed analysis of various reform proposals provided to me by the Secretary of State.

I assumed the Presidency with a commitment to strengthen this essential instrument of world peace and U.S. diplomacy. I now reaffirm that the United States will make the fullest possible use of the United Nations to assist in solving the many political, economic, legal, and humanitarian problems that press upon the international community.

At the same time, I am aware of the need to maintain constant attention to reform of the UN. This report contains a number of positive proposals for reform that this Administration intends to pursue.

I welcome this opportunity to communicate with you on these issues, and I appreciate the Congress permitting a one-month delay in submission of this report. I value highly the work of the Congress in support of U.S. participation in the United Nations, and look forward to a continuation of that cooperative endeavor.

Sincerely,

JIMMY CARTER

NOTE: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and John J. Sparkman, chairman of the Senate Committee on Foreign Relations.

On the same day, the White House issued the following statement on the report:

The President today sent to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a report entitled "Reform and Restructuring of the United Nations System." In the report, the President called the United Nations an "essential instrument of world peace and U.S. diplomacy" but proposed a number of concrete steps for the U.S. Government to pursue in order to make the U.N. system more effective in the future.

Although the President sends annual reports to Congress on U.S. activities in the United Nations, this is the first report concerning reform of the U.N. organization itself and, accordingly, contains the administration's recommendations for realistically strengthening the U.N. organization in a number of areas. The report generally indicates the administration's commitment to giving a higher priority to resolving issues within the U.N. framework and its belief that reforms in a number of areas are urgently needed. A basic premise of the report is that under present circumstances, reform by amending the U.N. Charter is improbable, and it is, therefore, more productive to seek institutional and administrative reforms within the present charter framework.

The President's report (accompanied by a longer analysis by the Secretary of State) is organized around seven areas of concern to the Special Committee on the Charter of the United Nations and on Strengthening the Role of the Organization. These are:

1. Peace, security, and strengthening international law;
2. Decisionmaking processes in the United Nations;
3. Human rights;
4. Financing the United Nations;
5. Achieving greater efficiency in the United Nations system;
6. Improving United States participation in the work of the organizations and programs of the United Nations system;
7. The Secretariat of the United Nations system.

Among the major recommendations in the President's report are the following:

—to press for strengthening of human rights procedures in the U.N.

—to assist, upon request from the Secretary General, with airlift of troops and equipment required for establishing a U.N. Peacekeeping Force authorized by the Security Council.

—to offer factual information from aircraft reconnaissance technology to the Security Council, when the parties to a dispute agree and under Security Council authorization.

—to explore the possibility of establishing a Special Peacekeeping Fund on the order of

\$100 million to help cover initial costs of operations authorized by the Security Council.

—to work for better coordination of the U.N. Technical Assistance activities by making the U.N. Development Program (UNDP) the major channel for U.S. voluntary contributions and helping to strengthen the UNDP's programming and coordinating role.

—to hold periodic meetings of the Security Council at the Foreign Minister level as part of a general effort to strengthen the role of the Security Council in the peaceful settlement of disputes.

—to foster greater use of the International Court of Justice by a variety of means, including reevaluating existing disputes to see whether they are appropriate to submit to the Court.

—to give substantially greater weight in our national policy to decisions arrived at by consensus in United Nations bodies.

—to support recent General Assembly plans to restructure and reform the economic and social functions of the U.N.

—to explore new ways of meeting the U.N. financial deficit and explore the possibility of supplementing U.N. finances from sources other than contributions of member governments.

On the subject of weighted voting, the President's report states, "There is no prospect for the adoption of a generally applicable weighted-voting system in the General Assembly." The report suggests that instead of trying to work for weighted voting, "it would be better to employ our efforts toward defining voluntary, but common standards to curtail the use of the veto in the Security Council and reduce the necessity of invoking it."

The report notes that, "If we are to develop adequate machinery for management of the world's common problems, a central concern of our foreign policy in the remaining years of this century must be the building of a more effective U.N. system. To this end, this administration is committed to working for a stronger and more effective United Nations."

In the context of consultations with Congress, the United States will proceed to discuss these proposals with other members of the United Nations and with Secretary General Waldheim and to seek their support.

The presentation of this report was pursuant to Section 503 of the Foreign Relations Authorization Act, Fiscal Year 1978 (Public Law 95-105).

## Small Business Administration

***Nomination of Milton D. Stewart To Be Chief Counsel for Advocacy. March 2, 1978***

The President today announced that he will nominate Milton D. Stewart, of Staten Island, N.Y., to be the Chief Counsel for Advocacy at the Small Business Administration.

Stewart was born March 5, 1922, in New York City. He holds an A.B. from New York University, an M.S. from Columbia University, and a J.D. from George Washington University.

In 1946 Stewart was a staff economist for the U.S. Senate Small Business Committee, and in 1946 and 1947, he was Director of Research for the President's Committee on Civil Rights. In 1947 and 1948, he was a research associate and lecturer at Columbia University and associate professor at the New School for Social Research.

In 1948 and 1949, Stewart was an administrative assistant for the U.S. House of Representatives. He was with the U.S. Bureau of the Budget from 1950 to 1952, and in 1950 he was detailed to serve as Executive Assistant Administrator of the Small Defense Plants Administration. From 1953 to 1955, he was an assistant to partner with Brown Brothers, Harriman & Co.

Stewart served as special counsel to the Governor of New York from 1955 to 1958, and as chief of the legal department for

the New York State Thruway Authority from 1959 to 1961. From 1961 to 1974, he was founding director and vice chairman, then president of a major venture capital small business investment company.

Stewart is currently an attorney and president of the National Small Business Association. He is also chairman of the Research Council for Small Business and the Professions, and chairman of the board of Terra California.

## United States Arms Control and Disarmament Agency

***Letter to the Speaker of the House and the President of the Senate. March 2, 1978***

*Dear Mr. Speaker: (Dear Mr. President:)*

I transmit herewith for consideration of the Congress proposed legislation to extend the appropriation authorization for the U.S. Arms Control and Disarmament Agency, together with a letter from the Acting Director of the Agency in support of this legislation.

Stopping the arms race, both the nuclear arms race and the spread of increasingly more advanced technology in non-nuclear arms, may well be the single most important task we must accomplish to ensure national security and the survival of mankind. The U.S. Arms Control and Disarmament Agency plays a very important part in accomplishing this goal.

Through the Strategic Arms Limitation Talks, in which it has the leading role, the Agency is engaged in preventing a nuclear arms race with the Soviet Union. And at the Comprehensive Test Ban Talks, the Agency is working to control the spread of nuclear weapons

through measures that will inhibit their further development. The Agency is also involved in researching techniques for preventing the unintended spread of nuclear weapon materials through the nuclear fuel cycle and in controlling the transfer of conventional weapons and advanced technology.

Additionally, the Agency engages in research which supports on-going arms control negotiations and explores possibilities for further progress and new initiatives in arms control.

Current authorization and appropriations for the U.S. Arms Control and Disarmament Agency expire September 30, 1978. I am transmitting the attached draft bill in order that the Congress may begin its consideration of future authorizing legislation for the Agency. I urge the early enactment of this legislation.

Sincerely,

JIMMY CARTER

Enclosures:

1. draft bill
2. letter from the Acting Director, ACDA

NOTE: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Walter F. Mondale, President of the Senate.

## United States Ambassador at Large

***Nomination of Alfred L. Atherton, Jr.  
March 3, 1978***

The President today announced that he will nominate Alfred L. Atherton, Jr., of Palm Beach Gardens, Fla., to be Ambassador at Large.

Atherton was born November 22, 1921, in Pittsburgh, Pa. He received a B.S. in 1944 and an M.A. in 1947 from Harvard University. He served in the U.S. Army from 1943 to 1945.

Atherton joined the Foreign Service in 1947 and served in Stuttgart, Bonn, Damascus, and Aleppo. From 1959 to 1961, he was at the State Department, serving as Iraq-Jordan desk officer, then officer in charge for Cyprus in the Bureau of Near Eastern and South Asian Affairs. In 1961 and 1962, he took advanced economic studies at the University of California at Berkeley.

Atherton was economic officer in Calcutta from 1962 to 1965, and Deputy Director of the Office of Near Eastern Affairs in 1965 and 1966. In 1966 and 1967, he was country director for Iraq, Jordan, Lebanon, and Syria, and from 1967 to 1970, he was country director for Israel and Arab-Israel Affairs.

From 1970 to 1974, Atherton was Deputy Assistant Secretary of State in the Bureau of Near Eastern and South Asian Affairs. Since 1974 he has been Assistant Secretary of State for Near Eastern and South Asian Affairs.

## Department of State

***Nomination of Harold H. Saunders To Be an Assistant Secretary. March 3, 1978***

The President today announced that he will nominate Harold H. Saunders, of Falls Church, Va., to be Assistant Secretary of State for Near Eastern and South Asian Affairs. He would replace Alfred Atherton, who is being nominated to be Ambassador at Large.

Saunders was born December 27, 1930, in Philadelphia, Pa. He received an A.B. from Princeton University in 1952 and a Ph. D. from Yale University in 1956. He served in the U.S. Air Force from 1956 to 1959.

From 1959 to 1961, Saunders was a lecturer at George Washington University and an analyst for the Central Intelligence Agency. From 1961 to 1974, he

was a member of the National Security Council senior staff, and from 1963 to 1965, he lectured at George Washington University again.

In 1974 and 1975, Saunders was Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs. Since 1975 he has been Director of the Bureau of Intelligence and Research at the State Department.

## Permanent Joint Board on Defense—United States and Canada

*Appointment of Thomas E. Morgan as Chairman of the U.S. Section. March 3, 1978*

The President today announced the appointment of Thomas E. Morgan as Chairman of the U.S. Section of the Permanent Joint Board on Defense—United States and Canada. Morgan, of Fredericktown, Pa., replaces Charles S. Gubser, resigned.

Morgan was born October 13, 1906, in Ellsworth, Pa. He received an M.D. from Wayne University in 1934.

Morgan practiced medicine and surgery in Fredericktown from 1934 to 1973. In 1944 he was elected to the 79th Congress, and he was reelected to each succeeding Congress until his retirement in January 1977.

## Conference on Security and Cooperation in Europe

*White House Statement on the Belgrade Review Conference. March 3, 1978*

The President today congratulated Justice Goldberg and the U.S. Delegation to the Belgrade Review Conference of

CSCE on their successful work during the past few months. The President is particularly gratified that the delegation has worked in close harmony with the U.S. Commission on Security and Cooperation in Europe, chaired by Representative Fascell, cochaired by Senator Claiborne Pell, and including both congressional and administration members.

The United States has achieved its basic goals at the Belgrade Conference, which will conclude its work next week:

- we conducted a full and frank review of the implementation of the Helsinki Final Act in all of its aspects. This included detailed discussion of human rights, including specific country-performance and individual cases. Human rights has now been firmly inscribed as a legitimate and proper concern on the agenda of international discussion;
- we maintained unity among the NATO allied states;
- we have worked with other nations to ensure that the process of security and cooperation in Europe, begun at Helsinki, will continue at Madrid in 2 years time;
- we took all of these steps in a spirit of seeking to enlarge the possibilities for cooperation among all the 35 states represented at Belgrade, and we will agree to the final document only to permit this process to continue.

Following the achievement of these basic goals at CSCE, we also presented, with our allies, a number of specific new proposals, designed to make more effective the implementation of the Helsinki Final Act. Regrettably, the Soviet Union was not prepared to engage in a serious discussion of new proposals leading to agreement among the 35 states taking part. Nor, under the consensus procedure followed at Belgrade, was the Soviet Union prepared to agree to a final docu-

ment that would take note of the full review of implementation—including human rights—that was the centerpiece of the conference.

We regret that the Soviet Union failed to permit the conference to proceed to its proper conclusion. We intend to press the Soviet Union to fulfill its commitment to respect human rights, to fulfill the Helsinki process, and to adhere to the final Helsinki Act itself. The Soviet refusal, under the consensus procedure, to accept a full final document in no way detracts from the success of the conference in conducting a full review of implementation, especially in the area of human rights. What has been done cannot be ignored, whether or not the Soviet Union is prepared to see it recognized in a formal document.

We will continue to build on the success that the Belgrade conference as a whole represents. During the period between now and the Madrid meeting, we will continue our efforts to promote implementation of the Helsinki Final Act. We will work closely with our allies, and with the European community, in that process. And at Madrid, we will renew the process of review, seeking always to raise the international standard of behavior, in all aspects of the Helsinki Final Act and particularly in the area of human rights.

## Advisory Committee for Trade Negotiations

***Appointment of 29 Members. March 3, 1978***

The President today announced the appointment of 29 persons as members of the Advisory Committee for Trade Negotiations for 2-year terms. They are:

W. JAMES AMOSS, JR., of New Orleans, president of Lykes Brothers Steamship Co. (reappointment);

JAMES H. BINGER, of Minneapolis, chairman of the executive committee of Honeywell, Inc. (reappointment);

DAVID W. BROOKS, of Atlanta, chairman of the policy committee of Gold Kist, Inc. (reappointment);

ALEX CHISHOLM, president of L & M Radiator, Inc., in Hibbing, Minn. (reappointment);

JOAN GANZ COONEY, of New York City, president of Children's Television Workshop;

MORTON H. DARMAN, president of the Top Co. and Ivy Enterprises in Boston (reappointment);

TONY T. DECHANT, of Denver, president of the National Farmers Union;

W. D. EBERLE, president of the U.S. Council of the International Chamber of Commerce, senior partner in a Boston consulting firm, and chairman of the board of several companies (reappointment);

MURRAY H. FINLEY, of New York, president of the Amalgamated Clothing and Textile Workers Union (reappointment);

DANIEL L. GOLDY, director of the Oregon State Department of Economic Development (reappointment);

PATRICK ALLAN GRANT, president of the American Farm Bureau Federation in Park Ridge, Ill.

MAURICE R. GREENBERG, president and chief executive officer of American International Group, Inc., and C. V. Starr & Co. (reappointment);

KARL D. GREGORY, professor of economics management at Oakland University in Michigan and management and economic consultant;

LOYD HACKLER, president of the American Retail Foundation;

RUTH J. HINERFELD, of Larchmont, N.Y., vice president of the League of Women Voters (reappointment);

ROBERT M. IVIE, president of Guild Wineries and Distilleries in San Francisco (reappointment);

HARVEY E. KAPNICK, JR., chairman of Arthur Andersen & Co., in Chicago (reappointment);

RALPH LAZARUS, of Cincinnati, chairman of the board and chief executive officer of Federated Department Stores (reappointment);

C. J. MEDBERRY, of Los Angeles, chairman of the board of BankAmerica Corp. and Bank of America NT & SA (reappointment);

KENNETH D. NADEN, of Bethesda, Md., president of the National Council of Farmer Cooperatives;

CHARLES H. PILLARD, international president of the International Brotherhood of Electrical Workers (reappointment);

ELSPETH D. ROSTOW, dean of the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin;

WILLIAM J. ROCHE, vice president of Texas Instruments Inc.;

J. STANFORD SMITH, chairman and chief executive officer, International Paper Co.;

JEAN H. SISCO, coordinator for business and community affairs at American University in Washington, D.C.;

THEODORE SORENSEN, a New York attorney and former Special Counsel to the President (1961–1964);

ROY UTKE, president of Sunkist Growers, Inc., in Los Angeles (reappointment);

C. WILLIAM VERITY, JR., chairman of the board of directors, Armco Steel Corp., in Middletown, Ohio (reappointment);

DON A. WOODWARD, of Pendleton, Oreg., international trade affairs representative of the National Association of Wheat Growers (reappointment).

## Food Aid Convention

***Announcement of Increase in United States Contribution. March 3, 1978***

President Carter has doubled the U.S. food aid commitment to developing nations.

The President has authorized U.S. officials, now in Geneva negotiating a new Food Aid Convention (FAC) agreement, to guarantee that the United States will deliver up to half of a global food target of 10 million metric tons of grains annually. The World Food Conference set the target in 1974.

Under the new U.S. pledge, developing countries are guaranteed a specific quantity of food aid, even in years when supplies are scarce.

Approval of the sharp increase in U.S. food aid guarantees was recommended to the President by Agriculture Secretary Bob Bergland.

The new pledge—almost two-and-one-half times greater than the existing United States Food Aid Convention commitment which expires on June 30, 1978—will be met under the current level of Public Law 480 shipments. The United States commitment had been 1.89 million tons annually since 1967.

United States negotiators will today pledge 4.47 million tons of grain annually to the Food Aid Convention. If other FAC donor countries collectively contribute more than the minimum American pledge, then the United States will increase its contribution on a matching ton-for-ton basis. The United States will also propose special FAC provisions designed to increase food assistance to meet extraordinary situations in developing countries.

In authorizing the increased U.S. contribution, which will be announced in Geneva today, President Carter said he has taken the step in an effort to solve three major problems affecting food aid programs.

“First, the world level of food aid falls short of the needs of developing countries,” the President said. “The international community has agreed that a minimum level of 10 million tons of grain is needed each year. However, this target has not been achieved in recent years. The fight against world hunger through food aid programs cannot be left to the small number of food exporting and traditional donor countries.

“Second, food aid levels have fluctuated without much regard for the needs

of developing countries. During 1974, for example, when grain prices were very high and supplies scarce, food aid to developing countries was reduced by 40 percent just when their need was the greatest.

"Third, the Food Aid Convention has not met the problem of additional emergency needs of the poorer countries. When their crops fail, they need more than the minimum tonnage committed to help them meet their basic food requirements."

The Food Aid Convention, first established in 1967, committed signatory nations to providing developing countries with a minimum annual tonnage of grain on a bilateral basis. In the 1967 FAC, 11 member countries pledged 4.26 million tons of wheat, coarse grains, or a cash equivalent, with the U.S. pledging 1.89 million tons. A new Food Aid Convention was negotiated in 1971. Nine countries agreed to contribute 4.226 million tons of wheat and coarse grain. However, the U.S. commitment remained at 1.89 million tons. The 1971 FAC was extended three times.

NOTE: The White House press release also included a fact sheet on the Food Aid Convention.

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### Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

#### *February 25*

The President met at the White House with Zbigniew Brzezinski, Assistant to the President for National Security Affairs.

#### *February 26*

The President attended a concert at the White House by pianist Vladimir Horowitz.

#### *February 27*

The President met at the White House with:

- Dr. Brzezinski;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- the Cabinet;
- Secretary of Defense Harold Brown;
- Vice President Walter F. Mondale;
- U.S. Ambassador to the United Nations Andrew Young.

The President met with a group of State Governors in the Old Executive Office Building to discuss energy.

Prime Minister Menachem Begin has accepted the President's invitation to visit the United States for talks on the situation in the Middle East. The Prime Minister and Mrs. Begin will be in Washington from March 13 to March 16, and the Prime Minister is scheduled to meet with the President on the 14th and 15th.

#### *February 28*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Representative Walter Flowers of Alabama;
- Senator Quentin N. Burdick of North Dakota;
- Vice President Mondale, Adm. Stansfield Turner, Director of Central Intelligence, and Dr. Brzezinski;



## *Administration of Jimmy Carter, 1978*

- Senator Muriel Humphrey of Minnesota;
- Senator Robert B. Morgan and Gov. James B. Hunt, Jr., of North Carolina;
- Senator Clifford P. Hansen of Wyoming.

### *March 1*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Senator Robert C. Byrd of West Virginia;
- Mrs. Carter, for lunch;
- Senator Wendell H. Ford of Kentucky;
- James T. McIntyre, Jr., Acting Director of the Office of Management and Budget.

The President attended a briefing on government reorganization given by administration officials in the Cabinet Room for members of the Senate Government Operations Committee.

In a ceremony in the Oval Office, the President received the first sheet of Easter Seals, symbolizing the start of the 1978 Easter Seal Campaign, from Anthony Zidek, 5, of Wonder Lake, Ill., the National Easter Seal Poster Child.

### *March 2*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Representative Ed Jones of Tennessee;
- Sam Brown, Director of ACTION;
- Paul C. Warnke, Director of the United States Arms Control and Disarmament Agency and chief arms control negotiator, to discuss the current state of SALT and other major arms control negotiations.

### *March 3*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Senator Kaneaster Hodges, Jr., of Arkansas;
- Representative Dale Milford of Texas;
- a group of college editors and news directors (transcript will be printed next week);
- Charles L. Schultze, Chairman of the Council of Economic Advisers.

The President announced that he will nominate Assistant Secretary of Agriculture P. R. "Bobby" Smith to be a member of the Board of Directors of the Commodity Credit Corporation.

The President left the White House for a weekend stay at Camp David, Md.

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### **NOMINATIONS SUBMITTED TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

#### **Submitted February 27, 1978**

JAMES C. CISELL, of Ohio, to be United States Attorney for the Southern District of Ohio for the term of 4 years, vice William W. Milligan, resigned.

#### **Submitted March 1, 1978**

ALICE STONE ILCHMAN, of Massachusetts, to be an Assistant Secretary of State, vice Joseph D. Duffey.

ALICE STONE ILCHMAN, of Massachusetts, to be an Associate Director of the International Communication Agency (new position).

JOAN F. KESSLER, of Wisconsin, to be United States Attorney for the Eastern District of Wisconsin for the term of 4 years, vice William J. Mulligan.

#### **Submitted March 2, 1978**

MILTON DAVID STEWART, of New York, to be Chief Counsel for Advocacy, Small Business Administration (new position).

*Administration of Jimmy Carter, 1978*

**NOMINATIONS—Continued**

**Submitted March 3, 1978**

ALFRED L. ATHERTON, JR., of Florida, a Foreign Service officer of the Class of Career Minister, to be Ambassador at Large.

HAROLD H. SAUNDERS, of Virginia, to be an Assistant Secretary of State.

P. R. SMITH, of Georgia, to be a member of the Board of Directors of the Commodity Credit Corporation, vice Robert Haldeman Meyer, resigned.

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**CHECKLIST OF WHITE HOUSE**

**PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released February 27, 1978**

Announcement: nomination of James C. Cissell to be United States Attorney for the Southern District of Ohio

**Released February 28, 1978**

Announcement: nomination of Joan F. Kessler to be United States Attorney for the Eastern District of Wisconsin

Statement by the President: on the administration's proposals for elementary and secondary education (as read in the Briefing Room at the White House)

**CHECKLIST—Continued**

**Released February 28—Continued**

Remarks: on the administration's proposals for elementary and secondary education—by Vice President Walter F. Mondale

News conference: on the administration's proposals for elementary and secondary education—by Secretary of Health, Education, and Welfare Joseph A. Califano, Jr., Representatives Carl D. Perkins, Ted Weiss, and Dale E. Kildee, Senator Robert T. Stafford, and Resident Commissioner of Puerto Rico Baltasar Corrada

**Released March 2, 1978**

Advance text: remarks at the National Press Club announcing proposed reform of the Federal civil service system

Fact sheet: proposals to reform the Federal civil service system

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved February 25, 1978**

S. 1340----- Public Law 95-238  
Department of Energy Act of 1978—Civilian Applications.

**Approved March 1, 1978**

H.R. 4544----- Public Law 95-239  
Black Lung Benefits Reform Act of 1977.

# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, March 10, 1978

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## Interview With the President

*Remarks and a Question-and-Answer Session With a Group of College Editors and News Directors. March 3, 1978*

THE PRESIDENT. Since Midge<sup>1</sup> has had some of her other speaking engagements canceled, she has been looking for a way to spend her time.

It's a great pleasure to have you here. You don't often have a chance to have a photographers' convention. [Laughter]

I'd like to spend the brief time I have with you answering questions that you might have to present to me, but I would like to say that we are grateful for your coming. You represent an element of leadership, both present and future, that's very valuable to our country. And I know that your interest in both higher education and government is exemplified by your presence here.

So, without further ado, I'd like to just have your questions.

### SALT NEGOTIATIONS

Q. Mr. President, it has been suggested from a report that Soviet officials at SALT negotiations in Geneva are suggesting

that Russia might introduce cruise missiles in Cuba if the U.S. deploys such missiles with NATO forces in Western Europe. Do you have any comments on that as far as if this is going to be true?

THE PRESIDENT. I have had no suggestions that the Soviets might introduce missiles that were capable of attacking our country in Cuba if the SALT negotiations are successful or unsuccessful. I had a meeting yesterday, on the SALT negotiations in detail, with our chief negotiators.

We are making good and steady progress. We now are down to about 12 highly technical issues, 3 or 4 of which are quite significant in their nature and will be difficult. My own belief is that—both in reaching a SALT II agreement—which will last until 1985, a protocol which will last until 1980 or, perhaps, the first of 1981—and setting down the principles of a so-called SALT III agreement, which will bring about much more drastic reductions in commitments to nuclear weapons, plus, for the first time, discussions on a comprehensive test ban to prevent the explosions of nuclear materials either for peaceful nuclear devices, so-called, or for military purposes—we are making good progress in all those respects.

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<sup>1</sup> Margaret Costanza, Assistant to the President for Public Liaison, spoke to the group prior to the President's remarks.

The time required has been much greater than we had anticipated, but my guess is that the negotiators will resolve most of these issues in Geneva. And they will probably require a direct meeting or communication between myself and President Brezhnev before we can reach a final agreement. But I don't anticipate any threats from the Soviet Union through Cuba as a result of success or failure.

#### SELECTION OF FEDERAL ATTORNEYS AND JUDGES

Q. During your campaign, one point that you emphasized was to restore people's faith in government.

Representative Philip Crane has introduced a House resolution to set into motion an impartial House investigation of the Marston matter. Would you favor such a resolution so that people's faith can be restored?

THE PRESIDENT. Well—[laughter]—it's difficult for me to comment objectively on Congressman Crane and all the—

Q. The resolution.

THE PRESIDENT. I understand. Well, at this point, the Senate is conducting an assessment of the appointment of Deputy Attorney General Civiletti. And in that process, the Republican members of the Senate Judiciary Committee are going into the Marston matter. There's nothing about the Marston matter at all that causes me any regret, except the extraordinary publicity that's been brought to it. I don't see, in retrospect, after careful examination of the issue, that anything improper was done.

There's never been an instance since I've been in office when an appointment was made to a U.S. attorney position or district judge or circuit judge other than strictly on the basis of merit. That was my commitment to the American people, and I have not violated it.

We've not yet made an appointment to replace Mr. Marston. Historically in this country, the Senate has been deeply involved in the decision about who would be Federal judges and U.S. attorneys. When I came into office, after 8 years of Republican administration, there had not been a single Democrat appointed to a U.S. attorney's position in 8 years. Only four U.S. attorneys were left over from previous Democratic administrations. They were in very strongly controlled States where the Democratic Senators were quite influential with the Nixon administration.

We have done it quite differently. We've established assessment commissions to give me recommendations for U.S. judges on a circuit basis. We've asked the Senators to set up similar merit selection commissions on a State basis for district judges—18, I think, have done theirs already—and in every instance, we've consulted with the highly qualified lawyers and others in the area, judges, to choose U.S. attorneys.

So, I would not hesitate to recommend any presentation of the facts about the Marston case.

#### FEDERAL RESERVE CHAIRMAN MILLER

Q. Mr. President, former Presidential economic adviser Paul McCracken, who is now on the lecture circuit, has claimed that your administration has no clearcut policy for fighting inflation. Do you feel this is a fair statement? And, also, what confidences do you place in newly appointed head of the Fed, G. William Miller, with regards to fighting inflation?

THE PRESIDENT. I have complete confidence in G. William Miller, who is a fine man. He's completely knowledgeable about international trade. He's a superb businessman. He's highly committed to improving our economy, to giving equality of opportunity in areas where people

have been deprived in the past. He has an excellent understanding of economics in every respect, and as you know, he has received overwhelming support already in the Congress after investigation of him.

So, I have complete confidence in him. I think he's capable of balancing the same two basic factors that I have to balance on a daily basis—inflation, on the one hand, and restoration of job opportunities, on the other.

This past year we were highly successful in both areas. I've only been in office 1 year. I inherited an unemployment rate of, I think, 8.1 percent. At the end of the year the unemployment rate, this in January, was 6.3 percent, a remarkable reduction.

At the same time, for the last 6 months of 1977, the inflation rate had dropped to about 4 percent,  $4\frac{1}{2}$  percent, whereas I inherited an inflation rate approaching 10 percent. So, we've made good progress.

#### INFLATION

Q. Do you have any specific policies that you will submit to Congress for fighting inflation?

THE PRESIDENT. In every respect—you know, we have in every decision I make involving economics, whether it's a jobs bill or a level of budget authorizations or a decision on Executive administration, in every one of those items we have to carefully consider the impact of inflation. On our importing of oil, we're trying to cut down on that with a comprehensive energy package.

We've asked the labor and business to voluntarily constrain themselves on increasing wages and prices, so that their new negotiations for wage settlements beginning this year and their increases in prices would be below what they were the last 2 years.

We've had an underlying inflation rate of 6 to  $6\frac{1}{2}$  percent, which is still prevailing. But we have set a goal for ourselves to reduce this substantially below 5 percent. And that's compatible with the other elements of our economic package, to increase the GNP 4 or 5 percent per year and to cut the unemployment rate down as well.

So, those three things—to have a stimulus to keep our economy growing to put our people back to work, to limit Government expenditures as a percentage of total GNP and total income of the people of our country, and to hold down inflation—are very tightly knit and coherent Government policy on economics.

#### VALUE OF THE DOLLAR

Q. Recently the dollar hit a record low in international monetary markets, reflecting the continued lack of confidence throughout the world in our currency. How do you account for this lack of confidence, and what action is your administration taking to alleviate the plight?

THE PRESIDENT. I pointed out yesterday at the National Press Club that the basic elements of economic theory have pretty well been ignored in the last 2 or 3 weeks. We have been trying to get Germany, Japan, and other very strong nations who are prosperous and who are growing to meet us on an economic stimulus effort.

The fact is that the OPEC nations export about \$60 billion worth of products more than they import. In other words, they have got a \$60 billion positive trade balance. The trade balance all over the world has got to be zero. You've got to have a total amount of exports in all cases equal to the total amount of imports.

So, the rest of the nations have to absorb about a \$60 billion deficit. We are absorbing our portion of it, more than our portion now. The Germans and the

Japanese, on the other hand, have insisted on having a positive trade balance of their own, which aggravates the situation that I have just described to you. Because of that, there has been some inevitable adjustments downward in the value of the dollar as it relates to the yen, the deutsche mark, and some other major trade currencies used.

We have three basic principles or factors that will be affecting the value of the dollar in 1978. In each instance, there's a substantial improvement in prospect this year compared to last year. We will not be increasing the quantity of oil we import during 1978. We were rapidly increasing oil imports during 1977. That's one factor.

The second one is that last year we had a growth rate in our economy of about 3 percent higher than the average of our major trading partners, which meant that as our economy grows and prospers and our people are at work, we are able to buy their goods easier than they can buy our goods. We are more prosperous. We can purchase things. They are less prosperous. They have to sell things. That 3 percent difference is going to be reduced substantially this year. We'll still have a pretty strong growth rate, not quite as strong as last year. They'll have a better growth rate.

And the third thing is that because of varying factors, an attempt to control inflation by the Federal Reserve and other factors, that the interest paid on investments in our country this year will be higher than last year, which means that other nations who own currencies will have a tendency to invest them in the United States, more this year than last year. So, there will be an inevitable correction, I think, of the value of the dollar.

What we would do is try to intercede in the market only to compensate for dis-

orderly marketing circumstances. We don't say that the dollar should be equal to 2.02 deutsche marks and try to hold that, you know, no matter what the world situation does. There's got to be some fluidity, some natural adjustment in the value of the dollar.

We're trying to stabilize it as best we can against disorderly marketing. And those three factors that I've described to you will bring about restoration of the acknowledgement of the true value of the dollar this year compared to last year.

#### TAX CREDITS FOR COLLEGE TUITION

Q. Mr. President, several weeks ago you went on record as being opposed to the tuition tax credit, and you have also come out in favor of increased Government loans to students. And you said that the tuition tax credit, I believe, and both the increased Government grants would be inefficient and wasteful. Could you elaborate more on that, sir?

THE PRESIDENT. Yes. I will not accept, to the limit of my ability as President, both the tuition tax credit, which is very expensive and not focused well and is really a boon to the very affluent families, on the one hand, plus the proposal that we made. There's a narrowly focused, I think a very well focused, proposal that we put forward to increase direct grants to students when they come from low- and middle-income families, to authorize an increase in loans to students and families at low, middle income, and a little bit higher level of income, and work-study programs for students.

This will increase the number of students eligible for loans, grants, and work-study from about 3 million this year to 5 million when our program is put into effect. The cost of this will be less than one-half of the so-called income tax credits. It will also give aid to families

that are most in need, to families that have a fairly good income, say, \$20,000, or have two young people in school, and so forth.

So, I will not accept the two programs. Obviously, the one I favor is the one we've put forward. I think that the income tax credit, as a way to resolve the problem of student financing, is ill-advised.

#### CONTACT WITH THE PUBLIC

Q. Mr. President, my question is two-fold. There is in the office of Governor Jim Hunt in North Carolina an Office of Citizen Affairs which permits voluntarism and offers a citizen helpline to attempt to cut through the bureaucracy. We feel that this office is a most important office, and we wonder, at the Federal level, what promotion and support we are receiving, particularly in your administration.

My second question is, when are you coming to North Carolina? [*Laughter*]

THE PRESIDENT. I'm coming to North Carolina on the 17th of March. This is being announced today. I'll be in Winston-Salem, and I'll be making what I consider to be a major speech on the national defense, and also visiting friends of mine, Steve Neal, Bob Morgan, Jim Hunt, and others.

I met with Jim Hunt and Bob Morgan earlier this week to go into some of their relationships between North Carolina and the Federal Government. One of those, obviously, is the question of the school desegregation lawsuit involving the university system in North Carolina.

As you know, the HEW Department is under orders of a Federal judge to resolve that problem. And my own hope is, and my own expectation, by the way, is that this can be resolved satisfactorily on a mutual basis between Bill Friday, Joe Califano, and others.

So, we have a good relationship, I think, with people in the State directly, with Midge Costanza and her office, by delegations who wouldn't ordinarily have a voice and who have not in the past had a voice. I think my own travels around the country, to North Carolina this month and to other States as well—on a very frequent basis so that I can keep directly in touch with students and others—the regular relationships that we have with Governors, unprecedented, I might say, congressional delegations.

So, we've got a good and very active and constant relationship with people to make sure we get an input. This is one of the dangers of being President, is to be overly isolated. But I've had now a chance to have townhall-type meetings on a frequent basis. Within the last 2 weeks, I have had two of them, one in Maine and one in New Hampshire. The latter one I had about 1,500 people present. I think we had five students from every high school in New Hampshire, and teacher-counselors. And they had a week or so to prepare questions for me.

I had an hour-and-a-half session on nationwide television to answer their questions about issues. So, I try to stay in close contact through those means.

#### VIETNAM VETERANS

Q. Do you feel that your pardon of Vietnam era selective service resisters has been a success; and, secondly, is there any possibility of extending that pardon to include military deserters?

THE PRESIDENT. It's only partially successful because of the constraints placed on that program by Congress. I felt that we needed a much more comprehensive system of pardoning Vietnam veterans and also restoring their rights after the pardon is issued.

We're proceeding as best we can with that program under the constraints that

Congress put on the administration. And I believe that this is something that should have been done.

We have also proposed, through the normal or existing legislative authority within the Defense Department, to expedite the consideration of both the Vietnam war protestors and also deserters.

This is a matter that's already authorized by law. We've tried to make sure that there was a distinction drawn between different levels of seriousness of desertion. If someone deserted on the field of battle and therefore endangered the lives of fellow warriors, this is a very serious matter. And we tried to draw a distinction there between other categories of desertion.

But I don't think it's been adequate yet. We're doing the best we can under the prevailing law that's been in existence for a long time within the Defense Department, and we've pursued the Vietnam consideration to the utmost of my ability.

#### PROJECT SEAFARER

Q. Mr. President, while campaigning in Michigan, you made a campaign promise that Project Seafarer would not be located in Michigan against the wishes of the citizens. Apparently that's changed. I'd like to know if you feel that you have broken a promise and, if so, how you'll justify this to the people of Michigan.

THE PRESIDENT. I haven't broken a promise, and it hasn't changed. So far as I know, no work is being done on Project Seafarer. I would like to say that I, as Commander in Chief of the military forces and as an ex-submariner myself, am deeply concerned about this problem. We need to have a way to communicate with our submerged submarines. And we have tried to modify any sort of environmental damage to Wisconsin or to Michigan in order to make the project acceptable to the people there.

And my own hope is that the Secretary of Defense, the Joint Chiefs of Staff, the congressional delegation, perhaps myself personally, in reassessing how we can substitute something for Project Seafarer, can make it acceptable to the people in the area that's required.

If our Nation should be endangered in a time of war, the loss of services of a substantial portion of our submarine fleet, because of unwarranted opposition, would certainly be a serious thing for our country. But I've not broken that promise or any others and don't intend to.

#### ABORTION

Q. Mr. Carter, you stated that you were personally opposed to abortion and the government funding of abortions. How do you reconcile this with your support of the ratification of the ERA?

THE PRESIDENT. I strongly favor the ratification of ERA. And on this particular point, I have got the full support of Midge Costanza.

I think that the government should find every possible alternative to abortion. I don't think that abortion should be encouraged by the government under any circumstances. And I think that government payments for abortions should be limited to instances where the woman's life is threatened or where the pregnancy is a result of rape or incest.

This has been my position throughout the campaign. It was my position when I was Governor. It was part of the Georgia law which was stricken down by the Supreme Court. It's also, I think, the position of the Secretary of HEW. And it's also the position of Congress.

I don't see the two to be interrelated at all. I believe that to provide government funding for abortion is, in effect, a means of encouraging abortion as one extension of contraceptive procedures. I think a good education program, the making



available of contraceptive devices for those who believe in their use, and encouragement of the facility with which unwanted children perhaps can be adopted, is a much better alternative.

I just am personally and politically opposed to anything that encourages abortions if there is a reasonable alternative to them.

SELECTION OF U.S. ATTORNEYS AND  
JUDGES

Q. Back to the question of judgeships. The House version of the omnibus judgeship bill contained a merit selection amendment requiring establishment of merit selection guidelines and procedures.

Your administration has failed to support this. Will you reconcile your campaign promise and support this?

THE PRESIDENT. I'm in favor of anything that's possible, either done by administrative act, voluntary action on the part of the U.S. Senators, or congressional action that would guarantee merit selection of every person appointed to a position of responsibility in the judiciary. That includes U.S. attorneys, district judges, and circuit judges.

The problem arises because for the last 150 years, Members of the U.S. Senate have always felt and still feel that a major portion of the selection of district Federal judges in their own States ought to be a joint responsibility between themselves and the President.

Within the framework of my own authority, I have acted already. And I would favor an extension of that authority through congressional action, as you've requested—as you've asked.

Let me say that there are some things that I can do, and I've done them.

I have hand-written a letter to all the Democratic Senators—when I first came into office—asking them to set up merit

selection commissions. Already, 18 have done this, an unprecedented thing for Senators to do.

Secondly, we have made every appointment, whether recommended by a U.S. Senator or chosen by me, strictly on the basis of merit. There has never been even an allegation that an appointee that I've sent to the Senate, anywhere in the judiciary, was made other than on the basis of merit.

On the circuit judgeships, in every single instance in the United States, we now are making those on the basis of five or more top names selected by a superb blue ribbon panel to me, and then I make the selection from those five or six names on the basis of merit.

The same with the U.S. attorneys. We've still got 25 or 30 Republican U.S. attorneys. Habitually, under all previous administrations, so far as I know, the first day that the President came into office from a different party, all the U.S. attorneys resigned automatically.

We've tried to do away with that, you know, and move toward merit selection. I'm deeply committed to this, and, to repeat myself, anything that the Congress can do, I can do, or the Senators voluntarily can do, all of those combined is what I favor to ensure merit selection.

CAMPAIGN PLANS

Q. Mr. President, this year is election year, and Republicans are hoping to pick up some seats in the House. How much of your time do you plan to spend perhaps helping Democrats seeking House seats campaign?

THE PRESIDENT. I'll probably spend a good bit of time on that. I've made visits already this year to four States—to New Hampshire, Maine, Rhode Island, and Delaware.

I will participate in five major fund-raising efforts around the country. I've

already participated in one in Atlanta, and we have others scheduled in Texas, California, New York, and Chicago.

I would guess that on occasion, without interfering with my other duties, I will go out to campaign in different parts of the country along with Democratic candidates. I won't get involved in primaries.

I think it's up to the people in those States to choose the Democratic nominee that they prefer. And I obviously can't campaign for all Democratic candidates. But where I feel that their own positions in the Congress are reasonably compatible with my own—I certainly don't expect subservience or want it, I don't expect complete compatibility or want it—I would campaign.

At the same time, in those trips, I'll make other worthwhile efforts to sense, to personally encounter what the American people believe and want, and to learn about our country.

For instance, on the visit to Winston-Salem, I'll be with Democratic candidates, perhaps for Governor, for the Congress. I'll go from there to spend a number of hours on an atomic aircraft carrier, seeing how it functions and what its role might be.

I'll be coming back into Savannah that evening for a major speech. And when I'm in Winston-Salem, I'll make a speech on national defense. So, these trips will be a combination of the two. But I'll spend more time this year, in 1978, than I did last year.

Maybe one more question and I'll have to close.

#### PUBLIC OPINION POLLS

Q. I realize this might be a tricky question, but I'd like to pose it and I'd like you to answer it.

THE PRESIDENT. It's not a question but you want me to answer it? [*Laughter*] All right.

Q. As of today, do you feel confident that you will be reelected in 1980? The reason I ask this is because of recent newspaper editorials and columns which speculate that you may be a one-term President.

THE PRESIDENT. I think that speculation has been extant, you know, for almost every President—certainly since Eisenhower. And as a matter of fact, no President has served two terms since Eisenhower because of either tragedy or reluctance to run or because of defeat in the campaign. I don't have any way to project yet whether I will or will not run in 1980 or whether I would or would not be elected.

The fact of the matter is that in the public opinion polls my rating is still, you know, like 70, 75 percent, and the analysis of how good a job this administration has done is much lower, down around 50 percent. It depends on which poll you read. The measure of how effective an administration is has a lot to do with other people—how well the Congress responds to my request for major legislation, like on energy or the Panama Canal treaties; how well our foreign affairs efforts are successful, for instance, the Middle East peace settlement or a SALT agreement.

So, there are some things over which we have control, where I can make a unilateral decision and that's the final word; but, in almost every instance, the President's authority and power is very severely limited.

Now, there have been conjectures in the press about whether I acted properly or improperly, effectively or ineffectively in the coal strike. This is not a matter that a President can impose. You know, there's no way that I can impose a settlement on the miners and operators that they will honor. But we did the best we could to

bring about a settlement between those two groups.

So, I have mixed emotions about it. I wish that I was favorably assessed by every news reporter and by every poll. But I've tried to be frank with you. My personal rating is high; the performance of my administration causes me some concern in the polls. But it's because of some of the difficulties of issues we've tackled and the lack of cooperation of people who don't see things the same way I do.

Let me say this—I've got to go, I've another appointment at 12—but let me say this: I don't believe I've met with a group at any time in the last 13 months that had such a wide range of questions, and questions that are more profound in their importance. This is typical of young people your age.

You have a lot of responsibility on you as do I. Your position in society is one of great privilege. The fact that you're here today shows that you've been fortunate, not just endowed with talent and intelligence but also you come probably from a good, solid family background or have had benefits from government in getting scholarships that others couldn't get. And you have an advantage and a certain flexibility of thought and analysis and perspective and a lack of heavy responsibility on your shoulders that constrains your independence of thought and also mobility.

That won't always be the case. In a few years you'll be employed in a major corporation or have your own business assignment or be teaching school or be working in a bank. And when that time comes, perhaps surprisingly to you, your freedom of expression and freedom of action and freedom of analysis will be severely restricted, because there will be an inclination on your part to conform to what the local school board or the principal of the school wants or what the president of the bank thinks or what your

customers at a filling station might want you to believe.

And I really hope, as the President of the greatest country on Earth, that you won't relinquish your right and, even, responsibility for independent analysis and deep inquisitiveness and expressions of concern and open expressions of criticism when public officials like myself don't reach the standards that you've set for our country.

This is important to me. I'm a human being like you. I have a background perhaps similar to many of yours. Three years ago, I was completely unknown. I didn't have any money. I worked on my own with my family to become known enough for me to get elected to the highest office in our country. And that shows what our Nation can do.

I'm trying to do a good job. I'll make my share of mistakes. When I'm right, I need your support and your public expression of support. And I believe that in spite of its failures and faults and serious mistakes in the past which have caused doubt among people about the integrity and meaning of our government, that you won't lose that faith.

We have a kind of a self-correcting mechanism in the United States in that I'm directly responsible to you. And the public opinion polls, expressed by people who are well educated or have a special knowledge of a subject, are very important. And the voice of those with courage is very important.

Our country is so strong and so influential in the rest of the world. We're so fortunate in our country, not only in material things but in the freedom of spirit that we enjoy.

I hope that you'll emphasize not just your criticism but an expression of your faith and belief in the finest aspects of what America is.

One of the foreign policy matters that also applies domestically is in the area of human rights. I felt when I came into office that there was a sense of discouragement, an alienation and distrust among people in our country toward government because of the Vietnam war and because of Watergate and because of CIA revelations. And I felt then and feel now that there ought to be some clean, decent, clear expression by me as President, supported by you, of what our country stands for and what it has meant in the world the last 200 years.

I hope that you can help me discern those kinds of things, like peace and fairness and basic decency and human rights and honesty, that can be legitimate sources of pride for us.

I would say that political officeholders are no better or worse than any of you or those who elect us. We struggle sometimes with too much appreciation or lack of appreciation or understanding with extremely complicated issues. And when something gets on my desk in the Oval Office or arrives in the Congress for a decision, it's a matter that hasn't been resolved in spite of efforts by an individual American or family or at a city hall or county courthouse or a State capitol building. Almost inevitably, when a matter gets here to Washington, it is difficult, it is controversial, and there are sharp debates about how a resolution of an issue has to be reached.

But you are part of the process. And your voices can be very strong and very influential. And you have an ability and a freedom, which I've already described, to make your voice extraordinary in its effect.

I don't believe there's a dormancy among college-age students that has been deplored by some news analysts. I think the commitment, which can be extremely beneficial, is still there. And I think be-

cause of the outspoken nature of young people your age on the civil rights question in our country, the work of Martin Luther King and others was made possible for success. And because of the deep concern about young people your age, maybe inspired by singers like Bob Dylan and others, there was a deploring of an unnecessary and ill-advised war and a recommitment to preserving the quality of our environment. And the same opportunities exist for you as existed for previous college generations.

I thank you for coming and letting me be part of your session. I really admire what you all stand for and what you can do, and ask you to join with me in a partnership to make our great country even greater.

Thank you very much.

NOTE: The interview began at 11:30 a.m. in Room 450 of the Old Executive Office Building.

The transcript of the interview was released on March 4.

## Wesley Bolin

*Statement on the Death of the Governor of Arizona. March 4, 1978*

Rosalynn and I extend our sincere sympathy to Marion Bolin and the people of Arizona on the death of Governor Wesley Bolin.

Wesley Bolin was part of the public scene in Arizona longer than almost anyone else in the State's history. He was elected constable of the West Phoenix Precinct in 1938 and had held statewide office for the last 30 years. In that time his State changed dramatically, but he was unchanged in his integrity, his warm spirits, and his dedication to duty and to the values he believed in.

Before being appointed Governor last fall, he had been elected to 13 consecutive terms as secretary of state, and he had become one of the most popular and well-respected men in the State.

The last week of his life was a time of particular fulfillment for Governor Bolin, as he came to Washington to represent his State at the National Governors' Conference. He dined with us at the White House and danced with Rosalynn to begin the evening's entertainment. We join the many others who knew the warmth of his personality and are saddened by his death.

## Labor Disputes in the Coal Industry

*Executive Order 12042. March 6, 1978*

### CREATING A BOARD OF INQUIRY TO REPORT ON LABOR DISPUTES AFFECT- ING THE BITUMINOUS COAL INDUSTRY IN THE UNITED STATES

The existing labor disputes between coal mine operators engaged in the production of bituminous coal in the United States or coal mine contractors engaged in construction work in and around coal mines in the United States and certain of their employees represented by the United Mine Workers of America and its locals and affiliates have resulted in strikes in a substantial portion of the coal industry. In my judgment these strikes affect a substantial portion of the bituminous coal industry, an industry engaged in trade, commerce, transportation and transmission among the States and with foreign nations, and will, if permitted to continue, imperil the national health and safety.

NOW, THEREFORE, by virtue of the authority vested in me by Section 206 of

the Labor Management Relations Act of 1947, 61 Stat. 155, as amended (29 U.S.C. 176), I hereby create a Board of Inquiry to inquire into the issues involved in the dispute. I appoint as members of that Board:

John N. Gentry, Chairman  
Eva Robins  
Carl A. Warns

The Board shall have the powers and duties set forth in Title II of the Labor Management Relations Act and shall report to me, in accordance with the provisions of the Act, as expeditiously as possible. Upon submission of its report, the Board shall continue in existence to perform the functions required of it under the Act.

JIMMY CARTER

The White House,  
March 6, 1978.

[Filed with the Office of the Federal Register,  
1:34 p.m., March 6, 1978]

## Labor Disputes in the Coal Industry

*Remarks Announcing Invocation of the Taft-Hartley Act. March 6, 1978*

A majority of the United Mine Workers have now rejected the negotiated coal contract. I'm disappointed that this agreement was not approved. But I recognize that the United Mine Workers' system of collective bargaining requires approval by union members before a contract can take effect.

My policy has been to do everything possible to help the collective bargaining process produce a settlement. But this rejection by the United Mine Workers' collective bargaining is now at an impasse.

The coal strike is 3 months old. The country cannot afford to wait any longer.

Coal supplies have been reduced to a critical level throughout the Midwest.

Tens of thousands of people are already out of work because factories have laid off workers to conserve fuel. Power curtailments have reached 50 percent in Indiana, 30 percent in West Virginia, and critical levels in other parts of the Midwest. One month from now, at least a million more Americans would be unemployed if the coal strike continued.

My responsibility is to protect the health and safety of the American public, and I intend to do so.

I've ordered the Attorney General, under the Taft-Hartley Act, to prepare for an injunction to require the miners to return to work and the mineowners to place the mines back into production.

I've appointed a Board of Inquiry and asked it to report back to me as soon as possible to begin the emergency dispute-settling procedure under the Taft-Hartley Act.

In addition, I've asked the Attorney General and the Governors of the affected States to make certain that the law is obeyed, that violence is prevented, and that lives and property are fully protected.

The Department of Energy will use, as necessary, its allocation powers to minimize the effects of fuel shortage on regions which are most dependent on coal by moving energy resources to places where they are most urgently needed. We will depend on the free and voluntary distribution of energy whenever possible.

I have not taken this action lightly. These steps are absolutely necessary if our Nation is not to be the innocent victim of a total breakdown of the collective bargaining process.

I expect that all parties affected by these actions will cooperate fully and abide completely by the law. Under a Taft-Hartley injunction, miners ordinarily are required by law to return to work under the existing contract, unless

more acceptable terms can be negotiated nationwide between management and labor.

During recent negotiations, both mine-workers and operators agreed on new wages to begin in 1978. When the Taft-Hartley injunction takes effect, we will seek to permit any company to offer this new wage settlement to those who return to work under the injunction.

The new 1978 wage package is a generous one which reflects the special conditions of coal mining. And I must say quite frankly that I do not support and would personally oppose any more liberal and inflationary wage settlement.

The best permanent solution to this dispute is a settlement reached through collective bargaining. While the Taft-Hartley injunction is in effect, I will take steps to see that all parties resume negotiations as rapidly as possible. Whenever negotiated coal contracts are ratified by the UMW membership, the Taft-Hartley injunction will be lifted.

The difficult and dangerous work of coal miners has helped America prosper and grow strong. For too many years in the past, the miners, their parents, and their grandparents paid an unfair and bitter price for working in the mines. They often did not have the safety protection they needed. And they did not receive compensation for black lung disease and other hazards that they encounter daily.

More improvements are still needed in these working conditions for miners. But we have made important progress. I recently signed legislation, passed by Congress, that will significantly improve both black lung benefits and the enforcement of Federal health and safety standards in the coal mines.

As Americans, we all share the responsibility for preserving the health and safety of our country, which is now in

danger. The labor laws of our country, of the United States, have been written to protect our Nation and at the same time to protect the rights of workers.

In times of crisis, the law binds us together. It allows us to make decisions openly and peacefully, and it gives us, through the courts and legal procedures, means to resolve disputes fairly. Respect for the rule of law ensures the strength of our Nation. The law will be enforced.

As President, I call on the mineworkers, the coal mine operators, and all Americans to join in a common effort under the law to protect our country, to preserve the health and safety of our people, and to resolve fairly the differences which have already caused so much suffering and division in our land.

Thank you very much.

NOTE: The President spoke at 12:32 p.m. in the Briefing Room at the White House. His remarks were broadcast live on radio and television.

## United States-United Kingdom Air Services Agreement

*Letter to the Chairman of the Civil  
Aeronautics Board. March 6, 1978*

*To Chairman Alfred Kahn*

I have examined your order (Docket 32183) dated February 28, 1978, which proposes to take certain actions regarding air fares and services between points in Texas and London.

The Board and I share the same commitment to low-priced, competitive air transportation, a principle embodied in Article 12, Section 2 of the US-UK Air Services Agreement of 1977 (Bermuda II). I agree with the Board that the action of the British government in rejecting low-fare tariffs filed by Braniff International Airways for its new Dallas/Ft.

Worth-London route is inconsistent with Bermuda II.

I note, however, that negotiations with the British government concerning this matter began on February 10 and resume today for the period March 6 through March 17. I am confident that during these negotiations the British government will adopt a position consistent with Bermuda II, and I therefore request that you withdraw your order at this time. If a satisfactory resolution with the British is not reached by March 17, I will reconsider the need for unilateral action by the United States.

Sincerely,

JIMMY CARTER

[The Honorable Alfred Kahn, Chairman,  
Civil Aeronautics Board, Washington, D.C.  
20428]

## Energy Emergency in Maryland

*Statement by the President. March 7, 1978*

Based on a petition submitted to me by the Governor of the State of Maryland, pursuant to Section 110(f) of the Clean Air Act, I hereby determine that an energy emergency exists in the service area of the Potomac Edison Company of such severity that a temporary suspension of certain particulate regulations under the Maryland Air Quality Implementation Plan may be necessary, and that other means of responding to the energy emergency may be inadequate. This determination shall be effective for not more than thirty (30) days, provided that the State of Maryland shall hold the public hearing required by Section 110(f) of the Clean Air Act within 1 week of this determination. If, during the period of suspension, I find that this energy emergency no longer exists, I will direct that this determination of energy emergency be re-

scinded and that all suspension orders issued by the Governor be terminated effective on the day of that rescission. The Administrator of the Environmental Protection Agency retains full authority to disapprove temporary suspensions of regulations in Maryland and to exercise his emergency powers authority under Section 303 of the Clean Air Act, when and if necessary.

I urge the Governor to act with due care if he suspends air pollution regulations under the authority provided by this determination, since such regulations are important to protect public health. In conducting hearings and making findings, I urge the Governor to consider carefully that suspensions which would allow a facility to burn available fuel which could not otherwise be utilized generally are appropriate. On the other hand, suspensions which permit facilities to turn off pollution control devices should be used sparingly and as a last resort, because such suspensions will accomplish only small energy savings while increasing risks to public health.

I also urge the Governor to implement fully necessary energy conservation measures so that the necessity for suspension of pollution control regulations can be minimized.

NOTE: The Presidential determination is printed in the *FEDERAL REGISTER* of March 24, 1978.

## Supplemental Appropriations Act, 1978

*Statement on Signing H.R. 9375 Into Law. March 7, 1978*

The Supplemental Appropriations Act, H.R. 9375, which I am signing today, contains three major elements that I had requested: it rescinds funds for the B-1 bomber, makes available \$4.5 billion in waste water treatment grants to local

communities, and provides \$1.4 billion for Small Business Administration disaster loans to farmers who suffered crop losses in last year's drought.

I am particularly pleased that the Congress has supported the rescission of the funds formerly planned for construction of the fifth and sixth B-1 bombers. In supporting this rescission, the Congress has saved the taxpayers nearly half a billion dollars.

The program of research and testing we will carry out, using the first four B-1 aircraft, will provide an adequate hedge against the unlikely possibility that our current plans for modernizing the B-52 bombers with cruise missiles do not work out.

I am especially grateful to Chairman George Mahon and Senators John Stennis and John Culver for their dedicated work in the passage of this bill, in keeping out additional B-1 funds.

The largest appropriation in this bill is for the waste treatment grants. The Congress has authorized funding of this program through fiscal year 1982, so that local governments can plan their projects better. I am committed to consistent long-term Federal support for the effort to clean up our water supplies. As a legislator and as a Governor, I saw the serious problems and needless expense that local communities often suffered when funds were inconsistent, delayed, or impounded.

Under current law, both the Farmers Home Administration in the Department of Agriculture and the SBA have authority to grant disaster loans to farmers. I have recommended legislation to remedy this overlapping jurisdiction by giving the Department of Agriculture sole responsibility in this area. In the meantime, the funds in this supplemental appropriation will enable SBA to handle current applications for low-cost loans.



Another important provision of this bill is the \$124 million for welfare payments and medical and social services to refugees from Cambodia, Vietnam, and Laos. This will reimburse States and local governments 100 percent for providing these basic services to refugees, as well as funds for special educational and training projects.

H.R. 9375 also appropriates \$80 million for the Clinch River Breeder Reactor. I believe that a strong research and development program for the breeder reactor is essential to maintaining a diversity of energy supply options for this country. In my FY 1979 budget, I have recommended \$367 million for continued research and development on the liquid metal fast breeder reactor. Our breeder program is the largest in the world. We can draw upon this technology—and build a demonstration plant—whenever it becomes necessary and economically feasible.

I believe just as strongly, however, that we cannot afford to waste vitally needed energy research and development funding on energy projects which are neither necessary to meet our projected energy needs nor economically sound. Development of coal technology and solar and renewable resources, resolution of issues hindering increased use of light water reactors, and improved oil and gas recovery methods all must be pursued on a high priority basis.

In view of these priorities, and my commitment to a strong breeder research and development program, I continue to believe that the construction of the CRBR is an unproductive use of our taxpayers' dollars, which will not enhance our ability to call upon the breeder to meet our energy needs. The \$80 million contained in this bill for the CRBR will be used to complete the systems design for this reactor and to terminate further CRBR activities

in an orderly way. I will continue to work with the Congress to ensure that our research and development resources are directed to those programs which will give us maximum assurance that we can meet our energy needs.

NOTE: As enacted, H.R. 9375 is Public Law 95-240, approved March 7.

## Visit of President Josip Broz Tito of Yugoslavia

*Remarks at the Welcoming Ceremony.  
March 7, 1978*

PRESIDENT CARTER. This morning the people of the United States are honored by the presence of a great world leader, President Tito of Yugoslavia.

This is his third visit to the United States. The last time he was here was in 1971. One of the first actions that I took as President was to ask Vice President Mondale to go to Yugoslavia to present my own respects and admiration to President Tito.

He is indeed a remarkable man who has exhibited in his own life tremendous personal courage in battle, in times of severe testing of his strength as a human being and as a patriot. He's a contemporary of great world leaders who survived the crises of world war, a friend and associate of Prime Minister Churchill, President Roosevelt, General de Gaulle. He's a man who, on his own initiative, combined with other great leaders, Nehru, Nasser, to form an organization of the nonaligned peoples of the world. His recent activities in world events have been truly remarkable for any leader, and particularly one of his experience and the size of his nation.

He's a father of the United Nations' Disarmament Conference, which will take place later this year. He has recently been

the host of the leaders of the world who have assessed the Conference on Security and Cooperation in Europe, known as the Helsinki agreement. He will later be the host, this year, in Yugoslavia of a meeting of the foreign ministers of the nonaligned nations.

He's a man who has understood for a long time our own Nation's commitment to détente and the true significance of this misunderstood word. He realizes and has told me in frequent, personal communications that he understands that détente must be comprehensive, that it must be reciprocal in nature, and it must be a demonstration constantly by the super powers of mutual restraint and a constant search for peace.

President Tito is a leader who has such great respect that he's able to bridge the gap of communications and understanding between nations and leaders who quite often have difficulty in dealing with one another. Within the last 9 months, he has made major visits to many countries and many capitals, including Moscow, Peking, and now Washington.

Perhaps as much as any other person, he exemplifies in Yugoslavia the eagerness for freedom, independence, and liberty that exists throughout Eastern Europe and indeed throughout the world. He and the people of Yugoslavia are recognized by our own country as worthy of admiration. We understand that the independence and the territorial integrity of Yugoslavia is one of the basic foundations of world peace now and in the future.

He's been an inspiration to the people of his own country and to others in his constant insistence on this freedom and independence. The people of Yugoslavia have in a unique way recognized their own willingness to sacrifice to the ultimate degree for the freedom of their own country. Within the Yugoslavian Constitution itself, there is a direct prohibition

which forbids capitulation to any other outside force.

And finally, President Tito is the leader of a modern, prosperous country. He's a friend of the United States. He's been helpful to me through constant consultation, has given me advice and constructive reports as a result of his trips around the world and his free communication and mutual confidence with other world leaders.

The trade and commerce between ourselves and Yugoslavia's people is valuable to us. We hope to see it expanded in the future.

So, President Tito, on behalf of the people of our Nation, we welcome you to our shores, to our country, as a true friend.

PRESIDENT TITO. Mr. President, may I thank you warmly for your friendly words of welcome. I am very pleased to have this opportunity to visit again the United States of America in response to your kind invitation. The peoples of Yugoslavia and the American people are linked with bonds of traditional friendship born in times of great trial and hardships they have gone through in their histories. I am looking forward in particular to having a broad exchange of views with you, Mr. President, and to meeting also other American statesmen, Congressmen, and prominent personalities. We highly value contacts and political dialog with American leaders.

In the last few years, Yugoslav-American relations have been developing and expanding gradually, but very successfully, the differences of view on certain international questions not being an obstacle for the further strengthening of cooperation between the Governments and our friendship between the peoples of the two countries. The development of our bilateral relations has shown that through mutual efforts and good will,

even the most complex problems can be solved with success.

We in Yugoslavia are very much interested in the continuing, successful, and comprehensive development of relations between our two countries on the basis of the already established principles of independence, sovereignty, mutual respect, and understanding.

We expect that our visit to the United States, the exchange of views on current international issues, as well as the talks on the promotion of bilateral cooperation, will make an important contribution to the further strengthening and promotion of friendly relations between our two countries and thereby, also, to broader understanding, respect, and cooperation in the world.

I take this opportunity to convey to the American people on behalf of the peoples of Yugoslavia the expressions of their friendly feelings and their best wishes for your overall progress.

Thank you, sir.

NOTE: The President spoke at 10:42 a.m. on the South Lawn of the White House. President Tito spoke in Serbo-Croatian, and his remarks were translated by an interpreter.

## Visit of President Tito of Yugoslavia

*Toasts at the State Dinner. March 7, 1978*

PRESIDENT CARTER. First of all, I would like to say that my wife, Rosalynn, and I welcome all of you to the White House. We here tonight and all the people of the United States are deeply honored by the visit of a great world leader, President Tito of Yugoslavia.

We've had a delightful conversation during supper. I found that he has some

things in common with us. He has a private farm where he grows grapes and produces wine. It's my second favorite vine, the first one being peanuts, of course. [Laughter]

Although we do have differences there, my brother, Billy, as you know, is—[laughter]—he produces beer, not wine. [Laughter]

President Tito is a man of great courage. He was telling me that there is an island—which some of our guests here at the head table, the Harrimans at least, have visited—about 2½ miles wide, 5 miles long, where he has a tremendous collection of puma, lions, camels, elephants, other animals, wild boar. I know very well how he feels when he goes there for a weekend, very similar to the way I felt when I came to Washington 13 years ago. [Laughter]

President Tito is a leader who has welcomed many great Americans to his country. One of the first was in 1944. President Tito, then an early leader of Yugoslavia toward freedom, was in his headquarters when a B-24 crashed in a barnyard while he watched the plane go down.

Out of the B-24 stepped the crew. The first man out of the plane was George McGovern. [Laughter] This is a true story. And ever since, President Tito has welcomed American visitors of great distinction to his country. [Laughter]

This is a world leader who has led his people and protected their freedom almost for the last 40 years. Through peace and war, he has been part of the personal history of the world during our own generation and the previous generation.

James Reston, who interviewed President Tito recently, said that he is the last political giant of this century. He's a man of eternal strength, of eternal

youth, of eternal vigor, and of eternal courage.

The Nation of Yugoslavia has been close to us in the United States since its very foundations, when Woodrow Wilson, our President, was instrumental in helping Yugoslavia become a country.

President Tito was a contemporary of great men, Prime Minister Churchill, President Roosevelt, General de Gaulle, and, as you know, many others, particularly Stalin. And he, along with President Nasser and Prime Minister Nehru, originated the concept of the strength of the nonaligned nations.

Not only the world but he's watched the history of the United States evolve. I'm the seventh American President in succession whom he has known.

He is a man who is very vigorous in his leadership. Within the last 8 or 9 months he's visited many countries personally, including the People's Republic of China, Peking; the Soviet Union, Moscow; our own country, Washington.

He's constantly searching for common beliefs and common hopes and common dreams that can unite people who might otherwise be separated by a lack of communication or differences in philosophical or political outlook.

He's a man who believes in disarmament. As a matter of fact, he is a father of the upcoming United Nations conference on disarmament.

He's a man who believes in human rights. He was the host this past few months of the human rights conference which was designed to assess the progress of the Helsinki agreement in that matter, human rights, plus searching for a more common ground on which the nations of Eastern and Western Europe might unite and resolve our differences.

Early in the present conflict between Israel and her neighbors, he told me today, on a trip to Egypt he reminded

that Arab nation, which was then involved in disharmony and even hatred and war with Israel, that a time had come to recognize the right of Israel to exist and to exist in peace.

There is a feeling of personal friendship and warmth and admiration that exists among the people of the United States toward this great leader and the land which he has guided through very difficult times in recent decades.

On behalf of the American people, I would like to offer a toast to the great and courageous leader, President Tito, and to the independent and proud country which he leads, Yugoslavia.

PRESIDENT TITO. *Mr. President, dear Mrs. Carter, ladies and gentlemen, friends:*

May I first thank you sincerely for the expressions of welcome, the exquisite hospitality you are surrounding us with, and particularly for the friendly words you have addressed to the peoples of Yugoslavia and to me personally.

I wish straightaway to underscore my pleasure at the successful development of relations and ever broader cooperation in numerous fields between our two countries, to which you, Mr. President, are contributing so much.

In founding the relations on the familiar principles of equality, noninterference, and mutual respect, Yugoslavia and the United States have, by the results that we have achieved, reaffirmed to the full extent the vitality and the irreplaceable validity of these principles.

This can only encourage us to proceed along that path and these bases in developing increasingly our cooperation in political and economic fields, in science, technology, engineering, culture, tourism, and other spheres.

I am certain that this is also a safe way for the constant strengthening of friendship between our peoples, for the building

of mutual confidence and respect, and thereby also for a constructive contribution to the creation of better conditions in the world.

I am convinced—and your words, Mr. President, encourage me in it—that this visit and our talks will serve these objectives in the best possible manner.

While speaking of the tradition of our friendship and the invaluable links between our two countries, I should like to recall the exceptional contribution to it made by many Yugoslavs who found in your country their new homeland, and who have been devoting their talents and work and who continue to devote them to the development of your country and to the well-being of mankind.

Mr. President, in the endeavors towards peace, stability, and progress today, détente is undoubtedly that major preoccupation of both the United States and Yugoslavia, as well as of almost all countries in the world.

We are deeply convinced that détente can fulfill the expectations of all the peoples of our planet if it becomes a universal process and if it encompasses all the burning problems of the day—first and foremost political, military, and economic—as at present, we live in a world of such interdependence that its fate is ultimately common.

Crises and problems necessarily affect everybody by the same token as the progress and achievements of each people become the possession and inspiration of the entire humanity. It is for this reason that we deem it indispensable that parallel with avoiding confrontations between big powers, basic problems of development should be resolved, as well as those in the field of disarmament, that the policy of power and interference into the internal affairs of others should be eliminated from international relations, and that the

efforts of all countries should be aimed at the overcoming of bloc and other divisions in the world, as well as the establishment of a new and more just international economic order.

All these problems bear on the vital interests of the whole mankind. Widely acceptable solutions have to be found to them if we are to secure survival, peaceful development, and prosperity for everybody.

I should like to point out that Yugoslavia, like many other countries, is especially interested in the elimination of existing focal points of armed conflicts which at any time may become the source of new, still greater crises of widest proportions.

Particularly worrying at the present juncture is the crisis in the Middle East, which is increasing tension in the region of the whole Mediterranean. Any complication or any further aggravation of the situation in the Middle East constitutes—and this we are profoundly convinced of—constitutes an extremely serious threat to peace and security in this region, with consequences affecting a wide range of countries.

We have been pointing out on numerous occasions our views, founded on the decisions of the United Nations and non-aligned countries, on the irreplaceable ways for bringing about a just and durable solution to the crisis and thereby also for the creation of the indispensable preconditions for the security and cooperation of all the countries and all the peoples in the region.

Here I would just like to point out that it would be extremely dangerous indeed to allow the possibility of having the policy of force and forceable acquisition of foreign territories—those in the Middle East or anywhere else in the world—even partly pay.

Likewise, I should like to voice my firm conviction that it is quite inadmissible that today an entire nation—I mean the Palestinians—should be denied the elementary national rights that other nations have been enjoying for centuries, and that the settlement of the Palestinian problem is essential and is the core of the solution and lasting settlement of the crisis in the Middle East as a whole.

During our recent exchange of messages, we could, Mr. President, note a considerable closeness of our positions on the need for the parties to the conflict in the Horn of Africa to find a peaceful solution to their problems under this spirit without interference from outside, and on the basis of mutual respect, independence, sovereignty, territorial integrity, and nonintervention in each other's affairs.

I think that such an approach should be applied also to other parts of Africa. It must not be allowed that any region, either in that or in any other continent, should become the ground for the contention of blocs of big powers. Any such rivalry carries in itself the danger of a broader conflict with consequences that necessarily affect the entire international community.

I am confident that our views are also close in that it is necessary within the framework of the efforts of all member states of the United Nations further to promote constantly, integrally, universally, human rights as one of the essential ingredients in the strengthening of the equitable international cooperation and peace in the world. And an end should be put as soon as possible to colonialism, racism, and apartheid in southern Africa and everywhere else in the world where these deplorable vestiges of the sinister past of part of mankind still survive.

I should also like to stress that Yugoslavia fully shares the concern by the

overwhelming number of countries over the unabated continuation of the arms race, which exposes mankind to tremendous dangers and, it is needless to say, greatly encumbers the settlement of the essential political and economic problems in the world we live in.

For this reason, we view the forthcoming special session of the General Assembly of the United Nations devoted to disarmament as an exceptional opportunity for a joint effort of all the world organizations, member countries, to its opening up for the sake of the security of the present and future generations a process of genuine disarmament.

We cherish a deep hope, Mr. President, that both you, personally, and your country will provide your share which will give an impetus to this process, which will, beyond any doubt, earn you well-deserved recognition.

May I also on this occasion emphasize how great importance for peace, security, and the prosperity of all countries have the building of new, more just economic relations in the world and particularly the promotion of an accelerated economic development of developing countries and the finding of solutions to the problems of energy, raw materials, food, the transfer of technology, and others.

The solution of this, I would say, major problem of the present-day world would constitute is the historic imperative of our time. Any delay of this resolution constitutes a serious risk of creating an atmosphere in which a search for solutions reached by common agreement would be made considerably more difficult.

Mr. President, the movement of non-alignment, to which Yugoslavia belongs and within which it has been active ever since its beginning, has become today a recognized factor in the world due to its consistent struggle for peace and secur-

ity, for equality and unimpeded development, for the settlement of burning issues of the present-day world.

A comprehensive emancipation of nations and countries, decolonization and creation by means of the establishment of the new economic order of genuine preconditions for the prosperity of all countries are inseparably linked with the activities of nonaligned countries. These ideals and objectives are in no way new. They permeated our aspirations also at a time of the founding of the United Nations.

The movement of nonaligned is a logical expression of the objective need of the present, still considerably divided world. It is an exceptionally important part, an active factor of the process of détente. It can be discerned that there is growing consciousness and awareness in the world of such a role of the movement of nonaligned countries in the current development of international relations.

Therefore, every attempt at weakening the nonaligned movement and that linking its parts to one or the other bloc is inevitably directed against détente itself, against the strengthening and expansion of peaceful coexistence. And this leads to dangers that might affect the nonaligned countries and countries belonging to blocs alike.

I have already mentioned the interdependence of the world, which requires from all countries—irrespective of their size, might, and affiliation—close cooperation, coupled with mutual respect. The nonaligned countries always stand ready for such cooperation. Their decisions and activity are inspired by it, and it is my firm belief that the only way for mankind to move towards a more secure future lies in this very cooperation, rather than confrontation.

We have been guided by it also in our activity during the Belgrade followup meeting of the Conference on Security and Cooperation in Europe, at which Yugoslavia, as the host, has special responsibilities.

We certainly believe that it is paramount for all the states participating in the Conference on Security and Cooperation in Europe to equally exert efforts towards a constant strengthening of the process of relaxation and cooperation in the spirit of Helsinki, for only thus may this process yield results which millions of people in Europe, the United States, and Canada, as well as in the rest of the world, expect from it.

Any attempt to impose unilateral interests casts a shadow over the already attained level of confidence and throws us back into the past, while the very nature of the process of détente makes it incumbent on us, due to the accountability of all countries and peoples to themselves, to move constantly forward.

Yugoslavia and the United States of America have been cooperating successfully in the international field already for a number of years. This cooperation dates back to a time when sharing on the same side the hardships of the past World War, we were searching for the best means to make it possible for the world to live in peace, understanding, and friendship.

I profoundly believe that now we shall deepen this cooperation still further in our mutual and even broader interest. The United States is a big power. Yugoslavia's part of the nonaligned movement. It is for this very reason, this very reason, which calls for our two countries to cooperate more closely in the search for widely acceptable solutions to pressing international problems.

Such a Yugoslav-American cooperation can only contribute to a broader

international understanding so greatly needed in the present world.

Our view is that differences, sometimes substantial and often unavoidable, are not nor ought to be an obstacle to cooperation; but, quite on the contrary, one more reason for dialog and for search for agreed solutions. In this respect, we already have very positive experience.

Mr. President, I wish to point out that we highly appreciate the contribution made by your country and by you, personally, to the cause of understanding and cooperation in the world.

You have invested a great amount of good will in resolving certain problems. May I mention the Panama Canal agreement as an illustration.

In this agreement you have, together with the Government of Panama, encouraged the hope that it is possible—and I would also add, indispensable—to resolve in a similar way other outstanding international problems as well. Your country has thereby only gained in the eyes of the world.

Mr. President, I am sure that our talks will show that we have much in common and will provide a strong impetus to our future cooperation in all fields, as well as that by our candid and constructive approach we shall contribute to better knowledge of each other and broader understanding in the world. For this reason, I think that our talks transcend the Yugoslav-American framework and reflect far broader interests.

It is with this in mind, and in a sense of satisfaction and gratitude for such a warm reception, that I propose this toast to your health, Mr. President, to that of Mrs. Carter, for the further prosperity of the friendly American people, for the comprehensive development of relations

and ever closer cooperation between our two countries, for Yugoslav-American friendship, for increasing understanding, respect, and cooperation in the world.

NOTE: The President spoke at 9:35 p.m. in the State Dining Room at the White House. President Tito spoke in Serbo-Croatian, and his remarks were translated by an interpreter.

## Civil Service Rules

*Executive Order 12043. March 7, 1978*

### AMENDING THE CIVIL SERVICE RULES REGARDING NOTICE OF EXEMPTIONS FROM THE COMPETITIVE SERVICE

By virtue of the authority vested in me by the Constitution of the United States of America, and Sections 3301 and 3302 of Title 5 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. Section 6.1 of Civil Service Rule VI (5 CFR 6.1) is amended by deleting the third sentence in subsection (a) thereof and by adding a new subsection (c) as follows:

“(c) Notice of the Commission’s decision granting authority to make appointments to an excepted position under the appropriate schedule shall be published in the *FEDERAL REGISTER*.”

SEC. 2. Section 6.6 of the Civil Service Rule VI (5 CFR 6.6) is amended by deleting the second sentence thereof and substituting “Notice of the Commission’s decision making these changes shall be published in the *FEDERAL REGISTER*.”

SEC. 3. Section 9.6 of the Civil Service Rule IX (5 CFR 9.6) is amended by adding a new subsection (c) as follows:

“(c) The Commission shall include in its annual report a current listing, by agency, of all positions authorized to be filled by Limited Executive Assignment.”



SEC. 4. Section 9.20 of Civil Service Rule IX (5 CFR 9.20) is amended by adding a new subsection (f) as follows:

“(f) The Commission shall include in its annual report a current listing, by agency, of all positions authorized to be filled by Noncareer Executive Assignment.”.

JIMMY CARTER

The White House,  
March 7, 1978.

[Filed with the Office of the Federal Register,  
1:02 p.m., March 8, 1978]

NOTE: The text of the Executive order was released on March 8.

## Pacific Northwest River Basins Commission

***Appointment of Melvin L. Gordon as Federal Chairman. March 8, 1978***

The President today announced that he will appoint Melvin L. Gordon, of Portland, Oreg., to be Federal Chairman of the Pacific Northwest River Basins Commission. He replaces Donel J. Lane, resigned.

Gordon, 55, has been a commissioner of Multnomah County, Oreg., since 1963. From 1961 to 1963, he served in the Oregon Legislature. Before 1961 he owned and operated Standard Batteries, Inc., and Mel Gordon Tire Co. in Portland.

As county commissioner Gordon is county liaison to the Columbia Regional Association of Governments, the Metropolitan Service District, and the Port of Portland. He was a member of the Federal Energy Administration's Environmental Advisory Committee and is former chairman of the Energy and Environment Committee of the National Association of Counties.

## United States Tax Court

***Nomination of Herbert L. Chabot To Be a Judge. March 8, 1978***

The President today announced that he will nominate Herbert L. Chabot, of Rockville, Md., to be a Judge of the U.S. Tax Court for a term of 15 years. He would replace Bruce M. Forrester, retired.

Chabot was born July 17, 1931. He received a B.A. from City College of New York in 1952, an LL.B. from Columbia Law School in 1957, and an LL.M. in taxation from Georgetown University Law School in 1964. He served in the U.S. Army from 1953 to 1955.

From 1957 to 1961, Chabot was staff counsel for the American Jewish Congress. From 1961 to 1965, he was attorney-adviser to Judge Russell E. Train of the U.S. Tax Court.

Since 1965 Chabot has been on the staff of the Joint Committee on Taxation of the U.S. Congress. He joined the committee staff as an attorney, served as assistant chief of staff from 1973 to 1977, and since 1977 has been deputy chief of staff.

Chabot has also been an adjunct professor of law at George Washington University since 1974.

## Federal Reserve System

***Remarks at the Swearing In of G. William Miller as Chairman of the Board of Governors. March 8, 1978***

THE PRESIDENT. First of all, I want to welcome all of you here to the White House for a memorable occasion. I've been looking forward to it. [Laughter]

The turnout is superb in quality and in quantity. It's about a month later than I had anticipated, but I think it is obvious

from those who are assembled here that this is a great day for our country.

Bill Miller is a man who has a broad range of background and experience that will be additionally valuable to our country in the months and years ahead. As a businessman and industrialist, as one who's intimately involved and an expert on international trade, as someone who's been deeply associated with the social changes that have taken place in our country—equal opportunity, civil rights, the sacrificial work that he's done in providing job opportunities for young people, for minority groups, for veterans—these will all be tremendous assets that he will bring to his new position as Chairman of the Federal Reserve Board.

He's also become an expert on congressional relations recently. [*Laughter*] I was very envious when he was so overwhelmingly approved with a voice vote, and no apparent negative votes at all—much better than the political victory I won a year and a half or so ago. [*Laughter*]

I think all of you realize the tremendous importance of the position that he will occupy as Chairman of the Federal Reserve Board. I would say that as far as the Nation's monetary policy and strength is concerned, that perhaps second only to the White House and all its influence, this chairmanship will be the most influential in shaping our Nation's economic strength in the future.

There is, under our Constitution and laws, a very good balance of responsibility and authority between the White House, the Congress, and the Federal Reserve. There is a deeply cherished commitment to independence. And under Chairman Burns, this commitment was preserved, and there was exemplified in the chairmanship an absolute integrity, honesty, competence, dedication, courage, which enhanced our Nation's reputation

throughout all the other nations of the world. And the people of the United States, Mr. Chairman, owe you a deep debt of gratitude and appreciation and admiration, and I thank you personally.

Our new Chairman, Bill Miller, has a precedent established for himself that will be a challenge even to a man with his superior qualifications and dedication. And on behalf of the people of our Nation, I congratulate Bill Miller, the members of the Federal Reserve Board, and the people who work here in Washington with him and with me and with the Congress.

We have had now a fourth year of economic recovery. This past year was a good one with the unemployment rate dropping, the inflation rate holding steady, our gross national product increasing, business profits and personal income being up. But we still have serious problems with the strength of the dollar, with a constraint on the inflation rate, and pockets of unemployment that cause all of us deep concern.

I have complete confidence in William Miller and would now like to ask Chief Justice of the Supreme Court Warren Burger to come give this fine man the oath of office.

Mr. Chief Justice.

*[At this point, the Chief Justice administered the oath of office.]*

MR. MILLER. President Carter, I know I speak for my family and friends and associates in thanking you for having us here in the White House for this occasion. It's an important occasion for me and my family, and I'm sure I speak for everyone in expressing our appreciation.

The Federal Reserve is a unique American institution. It represents a solution to central banking that's typically American, where you blend the national responsibili-

ties with local and regional participation. And it's a system that has well stood the test of time.

For 65 years, it's served through good times and bad times and has shown its ability to respond to a changing world and a changing America. We've seen unprecedented changes in technology, social, economic development, and the Federal Reserve has been able to adapt and respond to provide for the needs of a growing America.

The Federal Reserve System has also had remarkable leadership. Since the present organization was established in the thirties, there have been four Chairmen of the Board of Governors of the Federal Reserve System, and two of them are with us here now.

William McChesney Martin, who was Chairman for a longer period than any other Chairman, has a record that speaks for itself and is a beacon of excellence. And Arthur Burns, well, he's a legend in his own time. And I cannot say any more gracious words than the President has already said, but I'd like to second them and third them and applaud them, because you have been a great fighter against inflation. Your integrity, your intellect, your talents are known, and you are well loved and respected throughout the world.

I never expected to be a central banker, but when the President invited me to do so, the warm response that Arthur Burns gave and the support and help he's given me is more than a reward in itself. It's been a great experience for me and one which I shall always cherish.

Well, it's obvious that I've had giants as predecessors, and so I face a very demanding standard in trying to carry out the duties of this great institution. I can tell you that I will do my best to make a contribution to the best of my ability.

We do, Mr. President, I believe, have the ability to pledge to you that the entire Federal Reserve family will devote itself to the most professional conduct of its affairs, so that it can contribute to our national goals of growth and price stability.

It's going to be difficult. We face many problems. And it will take time. And it will take some self-discipline for all of us to do our part in moderation and in contributing individually to the solution.

On the other hand, the Federal Reserve has enormous resources to call upon to carry out its programs. In the first place, it has in the family of the Federal Reserve dedicated and competent men and women who are devoted to professionalism. It has an able Board of Governors. It has men of high quality as Presidents of the Reserve banks. And those human resources are very important.

The Federal Reserve also has the resource of adaptability. It's shown itself to be a living institution that can change and can respond and can innovate, and that will be a strength.

It also operates in an American system that has shown itself to have the strength of flexibility. In the last 10 years, we've been impacted by many substantial and adverse forces that have had great consequences in our economy of the United States and the world economies. And yet, how remarkably our system has responded and shown its resilience and capacity to absorb and to self-correct, and it's on that process now.

We also have the strength of national leadership which, represented by President Carter, is taking on the responsibility to reestablish the confidence of the American public in their public institutions.

And finally, we have the greatest resource of all, the boundless resource of the American people.

Americans are basically optimistic, and they have a right to be. It's justified by their past accomplishments.

For many years now, we've had a certain amount of self-examination about that optimism. And it seems to me the time is here where that's coming out into a recognition of self-confidence. And as we individually gain our self-confidence, I'm sure that collectively, as each of us plays our role, the cumulative effect will be to establish, reestablish the direction and vitality and the strength of this Nation.

And Mr. President, with those resources, the Federal Reserve should be able to make a contribution. And to the best of my energies and talent, I'll try to play my part.

Thank you.

NOTE: The President spoke at 2:35 p.m. in the East Room at the White House.

## 17th Anniversary of the Peace Corps

*Statement by the President. March 8, 1978*

Seventeen years ago this month, President Kennedy signed the Executive order that created the Peace Corps. Since then, tens of thousands of volunteers have worked in the developing world, serving their host countries and serving this Nation as well.

Thirteen years ago, the first VISTA volunteers began their work in the poorest and most isolated communities in our Nation.

The spirit of Peace Corps and VISTA springs from the deepest wells in our culture, from the reasoned and strongly felt impulses of our people to share with their neighbors their caring and their labor.

Peace Corps and VISTA and the thousands of other voluntary associations in this country are our greatest human resource in the effort to provide for the human needs of our neighbors on this Earth.

These associations of volunteers, including the Peace Corps and VISTA, represent our best offering to communities across the Nation and around the world.

I ask the American people to join me in commemoration of the thousands of our citizens of all ages who have served in these and similar programs, and call upon you to support the voluntary efforts which are so important both to our own Nation and the rest of the world.

## United States Metric Board

*Nomination of Andrew H. Kenopensky and Dennis R. Smith To Be Members. March 9, 1978*

The President today announced that he will nominate Andrew H. Kenopensky and Dennis R. Smith to be members of the United States Metric Board.

Kenopensky, 43, of Union, N.J., will be nominated for a 6-year term. He is national automotive coordinator for the International Association of Machinists and Aerospace Workers and has served in a number of positions in that union. Kenopensky has a B.S. degree in labor-management and a masters degree in education.

Smith, 31, of Middleboro, Mass., will be nominated for a 2-year term. He is a mathematics teacher for grades 7 and 8 in Middleboro and metric coordinator for grades K through 12 of Middleboro Public Schools. He is an instructor in adult education (metric) for the Massachusetts Department of Education.

## Visit of President Tito of Yugoslavia

*Joint Statement. March 9, 1978*

At the invitation of the President of the United States, Jimmy Carter, the President of the Socialist Federal Republic of Yugoslavia, Josip Broz Tito, paid a State Visit to the United States of America, March 7-9, 1978.

In the talks, on the Yugoslav side, participated:

Josip Broz Tito, President of the Socialist Federal Republic of Yugoslavia

Sergej Kraigher, President of the Presidency of the Socialist Republic of Slovenia

Milos Minic, Vice President of the Federal Executive Council and Federal Secretary for Foreign Affairs

Josip Vrhovec, Member of the Council of the Presidency of the Socialist Federal Republic of Yugoslavia

Dimce Belovski, Ambassador of the Socialist Federal Republic of Yugoslavia to the United States of America

Branko Pavicevic, President of the Academy of Arts and Sciences of the Socialist Republic of Montenegro  
and others

On the American side:

Jimmy Carter, President of the United States of America

Walter F. Mondale, Vice President of the United States of America

Cyrus R. Vance, Secretary of State of the United States of America

Harold Brown, Secretary of Defense of the United States of America

Dr. Zbigniew Brzezinski, Assistant to the President for National Security Affairs

Lawrence S. Eagleburger, Ambassador of the United States of America to the Socialist Federal Republic of Yugoslavia  
and others

During the visit, President Tito met with members of the House of Representatives and Senate. The talks reflected a high degree of interest in the legislative bodies of both countries to promote understanding and contacts between the peoples of Yugoslavia and the United States, including a broadened exchange of political leaders. President Tito also met with other distinguished Americans.

The two Presidents held extensive and useful talks in a spirit of mutual regard, candor, and friendship. They agreed that the significant improvement in bilateral relations over the past year, marked by a series of personal messages between them as well as by high-level visits and consultations, should be continued and deepened, building upon the basis of mutual respect which the United States and the Socialist Federal Republic of Yugoslavia hold for each other as equal, independent, and sovereign states. They confirmed that the principles contained in previous joint statements (Washington, October 1971 and Belgrade, August 1975) have been tested in practice and that they, together with the present statement, constitute the basis for developing relations between the two countries. The two Presidents considered this meeting a major step in reinforcing the already strong foundations of US-Yugoslav relations. The views of the two sides reflected wide areas of agreement on the issues discussed.

The two Presidents, noting the deep historical and cultural ties between their peoples, agreed that Americans of Yugo-

slav descent have played a major role in strengthening the bonds of friendship and understanding between their past and present homelands.

The two Presidents noted with satisfaction that economic exchanges between their two countries have developed positively, but agreed that there was potential for substantial additional interchange. While approving the balanced nature of trade between the two countries, they emphasized the need for further efforts to expand its volume, to strengthen industrial cooperation, to promote travel and tourism, to encourage joint ventures and to improve opportunities for business representatives to work in both countries. The two Presidents expressed their appreciation for the contribution of the United States-Yugoslav Economic Council to the development of economic relations and welcomed the establishment of joint economic/commercial working groups which will serve to facilitate increased trade and economic cooperation.

The two sides confirmed their mutual interest in the free flow of information and people between their two societies and endorsed both governmental and non-governmental cultural and information exchange programs which further this goal. In addition the two Presidents agreed that greater understanding by the general public of each society's culture and social development would be beneficial. They affirmed the importance of scientific and technological cooperation as well as exchanges in the field of social and physical sciences, education, culture, and information and pledged to develop them further.

Presidents Carter and Tito examined major international issues. They devoted special attention to questions of peace and security in the world and to the promotion of international cooperation. They affirmed the necessity of extending the

policy of the reduction of tensions to all regions of the world and all areas of international relations and of ensuring an opportunity for all countries to contribute to the resolution of current world problems and to the strengthening of peace and security. They underlined in particular that all countries should seek to resolve disputes by peaceful means and should deal with each other on the basis of equality.

They also affirmed that the right of all states to determine their own social systems without outside interference must be respected and that relations among states, regardless of differences or similarities in their social, political, and economic systems, must be based on the spirit and principles of the United Nations Charter.

Presidents Carter and Tito agreed that nonalignment is a very significant factor in world affairs. They share the view that the nonaligned countries can and should make an active contribution to the resolution of international problems and to the more favorable evolution of international relations. President Carter reaffirmed the respect of the United States for Yugoslavia's commitment to nonalignment and for the role Yugoslavia plays in that movement.

President Tito welcomed the steps taken by the United States Government over the past year on a number of long-standing issues of concern to the non-aligned. In this connection President Carter thanked President Tito for this warm message of support for the treaties which the United States has negotiated with the Republic of Panama concerning the future status of the Panama Canal. President Tito reaffirmed his view that the treaties would serve the interest of peace and stability in the region and throughout the world.

The two Presidents reviewed recent developments and pledged renewed efforts to lower the barriers to understanding and contact between all peoples of Europe, in accordance with their common aspirations. In this regard, they discussed the results of the Belgrade Conference and agreed that it has significantly strengthened the foundations for the continuation of multilateral efforts to increase security and cooperation in Europe. They reaffirmed their commitment to the success of the CSCE process and to full implementation of all sections of the Final Act. They urged all signatory states to join in efforts to achieve full implementation in order to further the process of consultation and contact between the participating countries and to promote mutual understanding. They pledged continued efforts toward these goals in the period leading to the next Conference in Madrid in 1980.

Presidents Tito and Carter expressed their special concern about the situation in the Middle East which remains a source of great tension in international affairs. They agreed on the urgent need to find a comprehensive, just and lasting solution to the problems of the Middle East and explained in detail their respective views on the current situation.

The two Presidents also agreed that the Ethiopia-Somalia conflict should be resolved by peaceful means, taking account of the need to respect both territorial integrity and the legitimate aspirations of the peoples of both countries, and in conformity with the principles of the Charter of the Organization of African Unity and the Charter of the United Nations. They expressed their belief that the international community should exert greater efforts for securing conditions to maintain the territorial integrity, independence and nonaligned position of these two countries.

In their discussion of developments in Southern Africa, the two Presidents expressed support for the legitimate aspirations of the African peoples to self-determination and majority rule. They condemned racism in all forms.

The two Presidents discussed a variety of aspects of human rights in the contemporary world and agreed that efforts toward the implementation of human rights in all countries should be in accord with the provisions of the Charter of the United Nations, the Universal Declaration of Human Rights and the Helsinki Final Act.

Presidents Carter and Tito reviewed the international economic situation with particular attention. While approaching global economic problems from different perspectives, they recognized their gravity and stressed the need for necessary changes in world economic relations which take into account the interests and equality of all countries. They noted in particular the importance of increased support for accelerated economic development for the developing countries and a broader linkage between the economies of the industrialized and developing countries. They emphasized the significance of the global economic dialogue as a vital element in fostering cooperation between the industrialized and developing countries, which is an indispensable precondition for the settlement of existing economic problems.

The two Presidents voiced their deep concern over the continuation of the arms race, which renders difficult the solution of substantial political, economic, and other problems besetting mankind today. Both governments believe that durable peace in the world as a whole can only be assured if effective measures are undertaken to halt the arms race and to take concrete steps for nuclear disarmament toward the ultimate goal of

general and complete disarmament. In this connection, the two Presidents underscored the importance of the negotiations on strategic arms limitations, mutual and balanced force reductions in Central Europe and of other efforts to limit the arms race. They also stressed the importance of the forthcoming special session of the General Assembly of the United Nations devoted to disarmament.

The two Presidents emphasized the decisive importance of the development of energy for the economic growth of all countries, and of the developing countries in particular, and they believe therefore that nuclear energy for peaceful purposes should be made accessible to all countries without discrimination. The two Presidents also pointed to the danger of the proliferation of nuclear weapons and agreed that this danger can be diminished through an effective reduction of existing nuclear armaments and through the development and application of nuclear energy for peaceful purposes and the implementation of measures in accordance with the provisions and objectives of the Treaty on Non-Proliferation of Nuclear Weapons and other international agreements within the framework of the International Atomic Energy Agency.

The two Presidents observed that terrorism is a common scourge of the international community, and they agreed that effective measures must be taken to eliminate this senseless threat to people throughout the world. President Carter specifically condemned the violence directed against Yugoslavia by terrorists in the United States and pledged his government's commitment to take firm measures to prevent and to prosecute such criminal activity which is against the interests of the United States and of good United States-Yugoslav relations.

President Carter reiterated the continuing support of the United States for the independence, territorial integrity and unity of Yugoslavia. During the talks it was stressed that good relations and cooperation between the United States and Yugoslavia constitute an essential element of American foreign policy and that the United States is interested in a strong and independent Yugoslavia as a factor for balance, peace and stability in Europe and in the world.

President Tito extended an invitation to President Carter to pay an official visit to Yugoslavia. The invitation was accepted with pleasure.

## Labor Disputes in the Coal Industry

*Letter Directing the Attorney General To Seek a Court Injunction Against Further Strike Activities. March 9, 1978*

*To Attorney General Griffin Bell*

On March 6, 1978, by virtue of authority vested in me by Section 206 of the Labor Management Relations Act, 1947 (29 U.S.C. 176), I issued Executive Order 12042. This Order created a Board of Inquiry to inquire into the issues involved in a labor-management dispute in the bituminous coal industry which has halted the production of bituminous coal in almost every major coal producing state east of the Mississippi River.

On March 9, 1978, I received the Board's written report in this matter, which indicates that there is little chance of a prompt settlement of this dispute. A copy of this report is attached. I have also directed that a copy be filed with the Federal Mediation and Conciliation Service and be made available to the public.

In my opinion this unresolved labor dispute has resulted in a strike affecting a



substantial part of the bituminous coal industry of the United States. As a result of dwindling coal stocks in the affected region, electricity curtailments are in effect, the production of materials and parts essential to manufacturing industries has decreased, and unemployment has increased and threatens to increase drastically if the coal strike is allowed to continue. This strike, if permitted to continue, will imperil the national health and safety.

Therefore, in order to remove this peril and to secure the resumption of bituminous coal production, I direct you at this time, pursuant to the provisions of Section 208 of the Labor Management Relations Act, 1947 (29 U.S.C. 178), to petition in the name of the United States in any District Court of the United States having jurisdiction of the parties to enjoin the continuance of such strike in the bituminous coal industry and for such other relief as may in your judgment be necessary or appropriate.

Sincerely,

JIMMY CARTER

[The Honorable Griffin B. Bell, The Attorney General, Washington, D.C. 20530]

NOTE: The White House press release also included the text of the Board of Inquiry's report to the President.

## THE PRESIDENT'S NEWS CONFERENCE OF MARCH 9, 1978

THE PRESIDENT. Good afternoon. I have two brief statements to make before I answer questions.

### THE COAL STRIKE

Three days ago, I appointed a Board of Inquiry whose purpose under the Taft-Hartley Act was to investigate the nego-

tiating stalemate, and we know that this has closed our Nation's coal mines.

This morning, the Board presented its report to me. Its finding was that an impasse does exist and that the situation is serious. This morning, using the authority of the Taft-Hartley Act, I directed the Attorney General to seek this afternoon a court injunction which will order the miners to return to work and the operators to open the mines during the 80-day cooling off period, during which time negotiations will proceed.

The welfare of our Nation requires this difficult step, and I expect that all parties will obey the law. The Federal Government will use its resources to minimize the national economic and social dislocations caused by this labor dispute.

The Department of Energy and the State Governors will improve the distribution of energy resources by moving our supplies of coal to places where the need is most urgent. The relief agencies of the Federal Government are prepared, if necessary, to act in a coordinated fashion to assist local areas which are particularly hard hit.

This is a time for cooling off. We will do everything in our power to be sure that it does not become a time of confrontation. The law must be enforced.

I have met this afternoon with the Attorney General and have asked him to assume personal direction of Federal law enforcement activities in this area.

The Secretary of Labor just informed me that he has asked the Board of Inquiry, as an extension of their duties, to go into the coal mining areas and consult with the miners, to encourage compliance with the law and to return to the negotiating area.

There is no easy solution to this problem. What is required from all of us now is reason, patience, and a willingness to

cooperate with one another and to obey the laws of the United States.

I'm confident that with the support of the miners and the coal owners, the mine operators, and the American people, and all public officials, that we can resolve this dispute without further damage to the well-being of our Nation.

#### SOMALI-ETHIOPIAN CONFLICT

I have another statement to make. Last night, I was informed by President Siad Barre of Somalia that he was agreeing to withdraw his forces from the Ogaden area, the occupied areas of Ethiopia, and just the last few minutes, he confirmed this commitment to me with a public statement.

I welcome President Siad Barre's announcement of this decision. The United States hopes that this decision will result in an immediate halt of the bloodshed in that area of the Horn of Africa. We hope that the Organization of African Unity can move quickly to assist all parties to terminate hostilities, to agree quickly on rules that can be observed so that Somali forces can retire rapidly into their own territory and to ensure that peaceful conditions are restored among the civilian population.

As soon as Somali forces have withdrawn completely, and as soon as Ethiopian forces have reestablished control over their own territory, withdrawal of the Soviet and Cuban combat presence should begin.

The United States looks forward to the complete withdrawal of all foreign forces from the two countries, Ethiopia and Somalia, at an early date. We stand ready to assist the Organization of African Unity in working out the basis for negotiations between Ethiopia and Somalia which would ensure the territorial integrity of all countries in the

region and the honoring of international boundaries.

#### QUESTIONS

##### U.S. ASSISTANCE TO SOMALIA

Q. Mr. President, does that Somalia announcement cause you to look any more favorably on Somali requests for American arms, assuming they go through with it?

THE PRESIDENT. We notified Somalia many months ago that as long as they were in occupied territory, that there would be no consideration on our part for defensive arms of any kind. I think it would require a tangible demonstration of the carrying out of this commitment on the part of the Somalians, and also a renewed commitment not to dishonor the international boundaries of either Ethiopia or Kenya, before we would be willing to discuss with them economic aid or defensive arms supplies.

In this case, working with the Organization of African Unity and the Congress, we would consider this in a routine manner, but not until.

##### THE COAL STRIKE

Q. Mr. President, there seem to be conflicting signals on what you would do if miners do not return to work. Would you consider seeking legislation to seize the mines, or do you have any other alternatives?

THE PRESIDENT. My firm belief and my firm commitment is that the Taft-Hartley Act will be enforced, that this will be adequate to assure supplies of coal to our country to avoid an additional crisis, and that it will also be an adequate incentive to bring the bargaining parties back to the negotiating table for successful resolution.

I have absolutely no plans to seek congressional action authorizing seizure of the coal mines.

U.N. RESOLUTION 242

Q. Mr. President, on the Middle East, the State Department today reaffirmed that U.N. Security Council Resolution 242 remains, in our view, the bedrock of our effort to bring peace to that area and more or less served notice on the Israeli Government not to take any decision to renounce that. Could you state for us what your understanding or your interpretation of Security Council Resolution 242 is and what your understanding of the Israeli position on this is?

THE PRESIDENT. Well, United Nations Resolution 242 was passed about 10 years ago. Since then it has been endorsed with practically no equivocation by our own country, by the entire international community, by the Israeli Governments, and by the Arab countries who border on Israel. It calls for the withdrawal of Israel from territories occupied in the 1967 war. It calls for the restoration of security of Israel behind recognized and defensible borders. And this has been the basis on which all of our efforts since I've been in office, and also my predecessors' efforts, have been based.

For any nation now to reject the application of 242 to the occupied territories, including the West Bank, the Sinai, the Golan Heights, would be a very serious blow to the prospects of peace in the Middle East.

In addition to the principles that I've just described to you, we've also been working with complete commitment and with some substantial success, particularly in the case of Egypt, to ensure that Israel will not only be blessed with a cessation of hostilities but also with a full restoration of peace, open borders, diplomatic relations, free trade, exchange of tourism and students, and cultural exchanges. This is a prospect that we still have. But the abandonment of United Nations Res-

olution 242 as it applies to the West Bank and other occupied territories would be a very serious blow to the prospects of peace and a complete reversal of the policy of the Israeli Government and other governments in the area.

LIAISON WITH JEWISH AMERICANS

Q. Mr. President, have you given thought to abolishing the job of liaison with the Jewish community—the task of the job?

THE PRESIDENT. No. We have many members of our administration who work directly with Jewish Americans who are interested particularly in the Middle East and other similar matters of interest to other groups in our country.

I meet frequently with groups of Jewish Americans who come to the White House. So does the Vice President, the Secretary of State does at the State Department, Dr. Brzezinski, Hamilton Jordan, Stu Eizenstat, and so has Mark Siegel.

So, we have a concerted effort to present our views and to receive the views of those interested parties. And I think one of the most crucial elements of a successful achievement of peace in the Middle East is to continue those consultations, and we will of course do that.

Q. But isn't it discriminatory at all—isn't it discriminatory? I understand there are some 2 million Arabs in this country. Do you give this kind of consideration to them?

THE PRESIDENT. I have also met, I should have said, with Arab leaders from all over the country on the same subject.

MIDDLE EAST ARMS SALES

Q. Mr. President, you have spoken many times of the commitment that the United States has for the security of Israel. In 1975, in September, the Sinai II agreement said specifically that the

United States would promise to give advanced aircraft, such as the F-16, at an unspecified time and number, to Israel.

Now, why is that promise of the United States now made part of a package deal? In other words, why is it tied to approval for aircraft to other countries, Egypt and Saudi Arabia?

THE PRESIDENT. Well, we are honoring completely the commitments made to Israel in the fall of 1975 concerning an adherence on our part to the adequate defense capabilities of Israel, including advanced aircraft like the F-15 and the F-16.

Some orders of this kind have already been placed, accepted, and deliveries are in prospect. Some planes have already been delivered. And the proposal that I've made to Congress on the arms sales package is compatible with that commitment.

In the fall of 1975, commitments were also made to the Saudi Arabians, to provide them with advanced aircraft, to replace their present Lightning planes which are becoming obsolete.

Later, in the Ford administration in 1976, in the fall, a commitment was made to them to send Defense Department officials to Saudi Arabia, to give them some assessment of the characteristics of the F-15's and F-16's, with a commitment then made that they would have their choice between the 16's and the 15's.

When Crown Prince Fahd came to our country last spring, I repeated this commitment, that had been made by my own predecessors in the White House, and so the sale of F-15's to Saudi Arabia is consistent with the commitment also made in the fall of 1975 and repeatedly reaffirmed.

The sale of the F-5E's—a much less capable airplane, by the way—to the Egyptians is, I think, a very legitimate proposal, because Egyptians in effect have

severed their supply of weapons that used to come from the Soviet Union and have cast their lot with us, which is a very favorable development in the Middle East, one of the most profound developments of all.

I have no apology at all to make for this proposal. It maintains the military balance that exists in the Middle East. I can say without any doubt that the superior capabilities of the Israeli Air Force, compared to their neighbors, is maintained, and at the same time, it reconfirms our own relationship with the moderate Arab leaders and nations for the future to ensure that peace can be and will be maintained in the Middle East.

#### EGYPTIAN-ISRAELI RELATIONS

Q. Mr. Carter, on the same subject, we've seen reports in recent days from the Middle East, from both Cairo and Jerusalem, that in effect President Sadat's initiative has come to an end, that it has come aground. We also see reports from Jerusalem that ministers in the Israeli Government have decided that there is no deal to be made at this time. Could you give us your assessment of where this stands and where you think it's going to go?

THE PRESIDENT. Well, as is the case in the White House and in the Congress, and in the United States, there is a difference in Israel, a very heated debate in prospect and already in progress about what should be done to bring about peace in the Middle East. There are, obviously, differences also between nations, between Egypt and Israel, between Israel and their other neighbors.

So, I would say that in comparison to the situation a year ago, the prospects for comprehensive peace in the Middle East are quite good. We would hope that there could be an immediate resolution of all the differences. That's not immediately in prospect.

Prime Minister Begin will be coming to visit with me this coming week. I know him very well. I've met with him twice before. He is a very strong advocate, a very dedicated advocate of the position of the Israeli Government. He's a forceful and outspoken person. And I'm sure after our meeting, we will at least understand each other better.

I hope we can move another step toward peace. I had an equivalent opportunity this year to meet and to have long discussions with President Sadat.

So, I would say that there's been a great deal of progress made. Just looking at the changes from the viewpoint of the Israelis, we have now the major Arab nation who has recognized Israel's right to exist, right to exist in peace, right to exist permanently, has offered the full definition of peace which I described earlier. They have been meeting directly and personally, Begin and Sadat and their representatives, which was not in prospect at all a year ago.

There are still differences between them—relatively minor differences in the Sinai, more major, strategic kinds of differences involving the Palestinian question and the implementation of U.N. 242. So we've got a long way to go.

It's a difficult question that's been one of the most challenging, I guess, in the last 30 years for the world, to bring about peace in the Middle East. But I'm not discouraged about it. We're going to stick with it. And even though it takes a lot of time and much abuse and much debate and many differences expressed by all public officials, I intend to stay with it. And I believe the American people are deeply committed to two things: One is the security of Israel under any circumstances, and secondly, the achievement of comprehensive peace.

#### THE COAL STRIKE

Q. Mr. President, do you agree with the position of the coal operators as stated in the latest contract on both the issues of the right to strike and pension benefits? And can you explain why or why not?

THE PRESIDENT. Well, I would rather not single out any particular aspect of the contract for my approbation or rejection. There are issues of that kind that have been in deep contention. The coal operators want to eliminate the possibility of wildcat strikes and to increase production. The coal miners want the security of their retirement funds, and they want to have continuation of health benefits without contributing to the fund out of their salaries. Those have been the major items in contention. And I don't want to comment on the degree of my approval of them.

One item on which there has been general and early agreement is the wage package, and this, I think, would be a basis for a resolution of the differences. But I don't want to comment as a President on my approval or disapproval of individual items.

Q. One followup: Do you think the miners should have gone along with the contract as it was last submitted?

THE PRESIDENT. Well, I was hoping that they would. As you know, there have been two contracts negotiated between the mine leaders and the coal operators. One was rejected by the bargaining council. The other contract was approved by the bargaining council—39 members, ostensibly representing all the miners throughout the country—and rejected by the membership.

But I was hoping that those contracts would be accepted. I've never gotten in-

volved in saying that a particular provision should be in or out of the contract, but one that's freely negotiated. I was obviously hoping that it would be approved.

#### U.S.-ISRAELI RELATIONS

Q. Mr. President, Mark Siegel, one of your aides, quit today, and you accepted his resignation with regret. He cited as his reason, differences with your Middle East policy.

His resignation, to many, symbolizes the split in the American Jewish community over the internal debate that's going on over our Middle East policy. And with Begin coming, I wonder if you could tell us what differences there are between the two of us, what your position will be on these differences, and a comment on the report that you're going to pressure him to make significant concessions?

THE PRESIDENT. I don't have any intention to pressure Prime Minister Begin. I don't have any desire to do it and couldn't if I wanted to. He's a very strong and independent person representing a strong and independent nation. Our role has been that of an intermediary. And one of the most pleasant respites that I have had since I've been in office was the brief time when Prime Minister Begin and President Sadat were negotiating directly and I was out of the role of carrying messages back and forth.

This is, however, a situation that has now deteriorated to some degree since President Sadat went to Jerusalem. Both the military and the political talks are now interrupted—we hope temporarily.

One of the things I will be doing is to repeat to Prime Minister Begin personally the request and the negotiating positions of President Sadat. And we've tried to do this through our ambassadors and through our negotiator, Mr. Atherton,<sup>1</sup> in

<sup>1</sup> Alfred L. Atherton, Jr., Assistant Secretary of State for Near Eastern and South Asian Affairs.

the Mideast, and I think perhaps I can do it perhaps a little more effectively.

But the differences that exist between them are well known. In the Sinai, as I said, they are relatively easy to resolve—the Jewish settlements, the placement of Egyptian forces in the Sinai, and some continuation of Israeli control over some airfields or aerodromes, and the rapidity with which Israel would withdraw from the Sinai itself.

In the West Bank, Gaza Strip, this involves implementation of U.N. Resolution 242 and some resolution of the Palestinian question. We do not and never have favored an independent Palestinian nation, but within that bound of constraint, how to give the Palestinians who live in the West Bank, Gaza Strip some voice in the determination of their own future, is an issue still unresolved.

That outlines very briefly the situation that we're presently in.

#### TAX REDUCTION

Q. Mr. President, in the past, you have indicated an interest to make taxes in the upper brackets more equitable. Yet in your present tax message, there is nothing to have a limit of 50 percent on all taxable income, including dividends and interest as well as earned income at the present. Is there still hope that this is going to be done?

THE PRESIDENT. Well, there will be an alleviation of the tax burden on almost every American under the tax proposal that we put forward to the Congress.

Within the constraints of a \$25 billion net reduction, you can't make this an all-inclusive proposal. I would say that most of the reductions are not at the \$200,000 or \$250,000 or higher level. Most of the reductions are in the low- and middle-income family tax payments.

I think, though, that in general, the proposal provides greater equity. It eliminates some of the unwarranted tax

privileges that have existed too long. And of course, the net effect of it is the substantial reduction in both personal and corporate taxes.

But the higher income families that you've described, above \$100,000 income, would not be benefited on a percentage basis nearly so much as the middle- and lower-income families.

#### RHODESIA

**Q.** Mr. President, in view of the great amount of discussion that's going on now about internal Rhodesian settlement, which excludes the Patriotic Front, is it possible in your view to have a settlement of the Rhodesian crisis without including Mr. Nkomo and Mr. Mugabe?

**THE PRESIDENT.** I would doubt that we could have a permanent settlement without including the right for all the nationalist leaders to participate. That would include Mugabe, Sithole, and would also, of course, include Nkomo as well. Muzorewa, the other leader, was here yesterday and met with Secretary Vance. We have had a meeting, yesterday afternoon, between myself, Secretary Vance, and the Foreign Minister of Great Britain, David Owen. And we reconfirmed our position, which has been consistent, that the Anglo-American plan is the best basis for a permanent resolution of the Rhodesian or Zimbabwe question. It's one that is substantially supported by the frontline presidents, presidents of those nations surrounding Rhodesia. And it has not been accepted completely by Nkomo and Mugabe, the Freedom Force leaders outside of Rhodesia.

We hope now that we can have a conference of all the interested nationalist leaders to try to work out the disparity between the internal settlement proposal, which is not adequate, and the so-called Anglo-American plan, which we believe to be adequate.

We've not rejected the individual component parts of the so-called internal settlement plan. To the extent that they are consistent with the overall Anglo-American plan provisions, they are a step in the right direction. But I think that it must be that any permanent settlement would include the right of all the interested nationalist leaders to seek the leadership of Rhodesia.

#### THE COAL STRIKE

**Q.** Mr. President, what are your plans if the coal miners refuse to obey Taft-Hartley and return to work? What do you do then?

**THE PRESIDENT.** Well, the injunction, if it is granted—and the hearing for a temporary restraining order in commencing now, about 3:30—it's a far-reaching injunction. It prevents the interference of any law violators with those who want to go back to work. It prevents a picketing against those who are complying with the law and mining coal. It requires the coal mineowners and the mineworkers to recommence negotiation efforts. It prevents the interference with the transportation of coal in any form, and it provides a legal mechanism by which the Federal law enforcement officials and the State and local law enforcement officials can provide for the protection of lives and property.

I believe the coal miners to be law-abiding and patriotic citizens. And I believe that a substantial portion of them, an adequate proportion of them, will comply with the law. We also have modified the historic provisions of the Taft-Hartley law by encouraging the operators and the mineworkers to negotiate during this period regional settlements based on the wage package which was in general agreement from the very beginning weeks of the negotiations themselves. So, I believe that the law will be obeyed.

I might say one other thing. We've got about, I think, 82 percent of the mine-workers who are not now working. We are still producing about 50 percent as much coal, and the reserve supplies of coal are down below, December 5, only about 45 percent. So, I believe that if we can get a moderate number—hopefully all, but a moderate number—of coal miners to go back to work, that we can prevent a crisis evolving in our country.

The distribution of existing energy supplies—electricity, oil, natural gas, and coal—will also help to alleviate the problem. The injunction has broad coverage, and I think the sum total of all I've described will be adequate.

MARK SIEGEL

Q. Mr. President, to come back to the Dr. Siegel resignation, Dr. Siegel, as I understand it, resigned for two reasons: One, he was being asked to defend administration policy in the Middle East, and two, he was unable to affect that decisionmaking process within the White House.

Does his resignation cause you to have any doubts about his not being able to have played a more prominent role in forming that policy? And two, does it cause you to wonder about the entire decisionmaking process in the Middle East within the White House and its future implications?

THE PRESIDENT. The answer to both your questions is no. Mark Siegel is a fine young man and an excellent employee, and he's done his job well in the White House, dealing with one of the most difficult issues that I've had to face as President, an issue on which there is sharp disagreement in the White House, sometimes disagreements between myself and the Secretary of State or myself and the Secretary of Defense or myself and the

national security adviser, myself and my own staff.

But we resolve those differences as best we can harmoniously. When there is continued disharmony, I make the final decision about the administration policy. But this is an issue that's almost inherently a subject for dispute and disagreement.

As I pointed out earlier, there is a sharp public dispute in the Israeli Cabinet itself, not limited to a difference between parties in Israel. And obviously there are sharp disputes between Israel and her neighbors. But I think that we are now addressing these difficult but crucial issues which are easier, politically speaking, to leave alone in a proper fashion.

We're not trying to impose our will on anyone. But I have to say that within the White House, when there is a continuing disagreement, that I make the final decision. That's what I was elected to do.

I think that Mark Siegel has had a strong input in his conversations and negotiating sessions with the Vice President, with Hamilton Jordan, with Dr. Brzezinski, and on occasion with me—not very often directly with me. But he has a perfect right to decide whether or not he prefers to continue performing that service. To explain the administration positions to very interested American Jewish groups has been a difficult task for me as well as him. And I honor his right to make that decision.

I don't think that we have a breakdown in communications and consultations within the White House. And after constant reconsideration, I believe that our policy on the Middle East is the proper one.

#### NATURAL GAS DEREGULATION

Q. Mr. President, are you willing to accept energy legislation that in a few years would lead to the deregulation of natural gas?



THE PRESIDENT. Yes, I am. This was a campaign statement and commitment of mine that I thought natural gas should be deregulated. In my speech to the Congress last April 20, I repeated this hope, and I think that a long, phased-in deregulation process without any shocks to our national economy would be acceptable.

DAVID MARSTON

Q. Mr. President, it now appears that there were some significant deletions in the Justice Department affidavits on the Marston case, bearing upon his competence and upon the nature of politics in Pennsylvania. And this has led to new charges of a coverup by some people high up in the Justice Department, or at the very least, some incompetence on the part of Justice Department people.

What is your assessment of how your Justice Department has handled this? If I may ask my followup before I sit down, are you irritated by the delay in naming Marston's successor?

THE PRESIDENT. Well, the answer to your last question is no. You know, because of the high degree of attention focused on this particular appointment, the almost natural delay has been a matter of some interest. But it takes a long time to screen many applicants to make sure that we satisfy the desires of the judges in that area, of the responsible lawyers in that area, and that we satisfy ourselves that there's an adequate FBI check of their background, that their financial status is good, that there's nothing that can be brought up later on that would be embarrassing to the appointee when a thorough discussion or investigation is made. It's a time-consuming process.

I'm not dissatisfied. We are moving as rapidly as we can on that. I didn't know anything about the information presented to the congressional committees. I think

in retrospect it would have been better to go ahead and include the statement of the FBI agent.

INTERNATIONAL ECONOMY; INFLATION

Q. Mr. President, can you tell us why you think the dollar is declining abroad? What are you going to do about it, and do you think it's time for more tougher measures to curb inflation here in the United States?

THE PRESIDENT. Well, this is a matter with international implications. I had a long talk this morning on the phone with Chancellor Helmut Schmidt. This was one of the subjects that we did discuss. And German and American officials will be meeting this weekend to try to have a common approach to eliminating, or certainly reducing the disorderly marketing of the currencies of the world.

We have had a policy of intervening in the monetary markets only when disorder did occur, when there were fluctuations that were not warranted or that caused us some concern. I think recently the value of the dollar has been fairly well stable—with the deutsche mark, at about 2.02.

One of the things that has been pointed out to me is that the factors that caused a lowering of the dollar's value, compared to some of the stronger currencies—Swiss francs, Japanese yen, German deutsche marks—in this past year are being alleviated.

Higher interest rates in our country now, caused by various factors, now make investments in the United States more attractive than they were last year. We had a high increase in 1977 in the amount of oil imported. My guess is that this year, we will not have that increase in imported oil.

Last year, we had a much higher increase in our gross national product, a much more vigorous economy that made it possible for us to buy foreign goods

better than foreigners could buy our goods.

I think the difference was about a 3-percent rate of growth. Because of the more vigorous economies in some of our foreign trading partners' countries this year, that difference is certainly likely to narrow.

Chancellor Schmidt told me that the last quarter in 1977 in Germany the GNP growth was 6 percent. This was higher than he had anticipated, and he didn't think that it was going to be maintained constantly, but he was pleased with that.

So, I think those factors all point to the very good strength of the dollar and, on a long-term basis, it being fairly well priced, compared to foreign currencies.

But any shocks to the market, any disorderly marketing will require us to intercede, and I will do so.

FRANK CORMIER [Associated Press].  
Thank you, Mr. President.

NOTE: President Carter's twenty-seventh news conference began at 3 p.m. in Room 450 of the Old Executive Office Building. It was broadcast live on radio and television.

## Nuclear Non-Proliferation Act of 1978

*Remarks at the Bill Signing Ceremony.  
March 10, 1978*

THE PRESIDENT. During the 1976 Presidential campaign, one of the major issues that came up throughout the Nation was the subject of nonproliferation.

I think as recently as that, the world had a general impression that it was too late to control the proliferation of nuclear explosives among countries that don't presently have that capability, and at the same time ensure the proper and adequate use of atomic fuels for the production of power and for other peaceful uses.

Last April, I presented a message to Congress, who had long been working on nonproliferation legislation. And I'm very grateful today at the fine work that has been done in the House by Chairman Zablocki and by Congressman Bingham, Findley, and others, and in the Senate by Senator Ribicoff, Percy, and Senator Glenn.

This legislation takes a major step forward in clarifying our own Nation's policy. I think it would be a much more predictable factor in the decisions made by foreign nations. It will give guidance to me, to the Congress, to the Nuclear Regulatory Commission, and to the Department of Energy and other agencies in our Federal Government who deal with this very sensitive subject.

We've now helped to organize, with the assistance of our European allies, an International Nuclear Fuel Cycle Evaluation study. Forty nations have already joined in this study to inventory existing nuclear fuels in the form of ore, both uranium, thorium, and others, to assess the quality and capability of enrichment facilities and to deal with the proper distribution of nuclear fuels to those that don't have supplies in their own country—with international safeguards and constraints being adequate; and at the same time, to deal with the unsolved question of the disposition of spent nuclear fuels.

This is one of the most complicated questions that presents itself to the international community. I think it is accurate to say that some of our friends abroad will have to readjust their policy.

I've discussed them thoroughly with the heads of state who have been here to visit with me and whom I've gotten to know. And I think they will see the wisdom of the action that the Senate and the House have taken in this legislation.

I feel very strongly that we should continue to use, in an increasing way, atomic

power in our country as a major element of energy production. Our light water nuclear plants, using enriched uranium, are adequate for the time being.

We have a very heavy research and development program going on for future production, including the liquid metal fast breeder reactors. We do not need to waste our money at this time in production models of the breeder reactor. We have one already in existence, a relatively inexpensive program using thorium.

But I believe that the Congress has taken a major step forward. And I am very grateful this morning to sign the legislation which would put into effect a clarified and an adequate American policy on the use and provision of atomic fuels to ourselves and to other countries and, at the same time, rigid constraints which would prevent the acquisition of explosive capability by nations that are not presently part of the nuclear explosive club.

So, thank you very much, all of you who helped so much in this legislation. And now I would like to sign this very important bill.

*[At this point, the President signed the bill.]*

Thank you very much.

Chuck, would you like to say a word?

I remember that in 1976, when I spent the night with John Glenn and his wife, this was one of the subjects that we discussed, the hope that some day we could have a nonproliferation bill passed. The first conversation I ever had with Senator Ribicoff was when he called me on the telephone to congratulate me on a speech I made at San Diego about the same subject.

John, perhaps you would like to say a word?

SENATOR GLENN. I just think this is a day that all of us have looked forward to. Some of us in the Congress have been working on this for quite some time. I know when President Carter, during the

campaign, made his statements on this, I was wholeheartedly behind what he was proposing at that time.

I'm just glad to have been part of getting it through. It's a great day for all of us.

THE PRESIDENT. It is.

Clem.

REPRESENTATIVE ZABLOCKI. Mr. President, it is gratifying to see legislation for which we labored long has become a law. It is an indication that the executive branch and the legislative branch can work together. We had great concentration on this legislation with your office.

THE PRESIDENT. Thank you very much.

Chuck Percy.

SENATOR PERCY. Mr. President, this is a bipartisan effort, obviously. I think this day marks the moment when the nuclear nonproliferators take over against the nuclear salesmen. But also I think it's an assurance to the world that, given proper safeguards, we will be a reliable supplier. But we insist upon safety of humanity in taking first precedence, I think, over the sale of nuclear materials.

We thank you for your immense cooperation ever since the outset of your administration and, I might say, in the course of your campaign, which helped also.

THE PRESIDENT. Thank you very much.

This has been one of the major projects of Jonathan Bingham as well.

REPRESENTATIVE BINGHAM. Thank you, Mr. President.

We are very proud of your leadership in this, Mr. President, and it has been a privilege to work with you and your associates in this matter. I would just like to say that I think the enactment into law of this legislation represents the beginning, in a way, of a task which will stretch

ahead, because it is a difficult problem for you and the rest of us to exercise leadership in the rest of the world.

We hope this legislation will be a foundation for a better course to come. But it is a beginning rather than an ending, I think.

THE PRESIDENT. It goes in very well with the SALT negotiations, the comprehensive test ban, and also the legislation that I will send up, hopefully, next week, concerning the expedition of licensing for atomic powerplants in our country.

Would anyone else like to say a word? Mr. Chairman?

SENATOR SPARKMAN. Mr. President, I simply say that I endorse everything that's been said by you—[laughter]—and by these gentlemen.

I think it is a great day, and I thank you for it.

THE PRESIDENT. Anyone else? I want to thank all of you. This is a project that had been very dear to the hearts of many Members of the House and Senate long before the election took place.

But I was surprised at the intense interest among the American people in the questions-and-answer periods, and in the debates during the campaign itself.

I might hasten to say that in November of 1976—or October, I believe, President Ford also endorsed the principles set out in this bill. So, it was indeed a bipartisan effort.

Thank you all again for your foresight and, I think, courage in addressing one of the most difficult questions that our country has had to face.

By the way, we hope within the next year to have evolved a comprehensive proposal for the first time on the disposal of nuclear wastes, spent nuclear fuels.

We'll need your help and advice and counsel and cooperation in that project as well.

Thank you very much. It's a very good day for our country.

NOTE: The President spoke at 9:50 a.m. in the Cabinet Room at the White House.

As enacted, H.R. 8638 is Public Law 95-242, approved March 10.

## Nuclear Non-Proliferation Act of 1978

*Statement on Signing H.R. 8638 Into Law.  
March 10, 1978*

I am pleased to sign into law today H.R. 8638, the Nuclear Non-Proliferation Act of 1978. Enactment of this legislation takes us a major step toward fulfillment of an objective which the United States shares with other nations—a halt in the spread of nuclear weapons capability while preserving the peaceful use of nuclear energy.

The Congress has responded to this challenge with both care and courage in establishing a framework for ensuring that we meet these objectives. Senators Ribicoff, Glenn, and Percy, Representatives Zablocki, Bingham, and Findley, their colleagues on the committees which developed this bill, and their staffs have my respect and my thanks for their leadership on this issue. It has been a privilege for me, as it has been for Secretary Vance and other members of my administration, to work with them on the Nuclear Non-Proliferation Act of 1978.

Our efforts to prevent the spread of nuclear weapons began more than 30 years ago, when we went to the United Nations with an offer to place certain aspects of nuclear energy under international ownership and control. The passage of the Atomic Energy Act of 1954 and the adoption of the Non-Proliferation Treaty by the United Nations in 1968 and now

this law, each have moved us further toward attainment of our nonproliferation goals.

On April 7 and 27 of last year, I outlined the policies and programs which we would implement to diminish proliferation risks. Today, I want to reaffirm this administration's strong commitment to that policy. We also recognize that nuclear power technologies now in operation, which do not involve nuclear fuel reprocessing, can and must provide an important source of energy for our Nation and for their countries. Our current once-through fuel cycle is and will continue to be a significant contributor to our energy supply. Properly managed, it can function without increasing the risks of proliferation. Our policy takes a responsible course between forgoing the energy benefits of nuclear power and becoming committed to commercialized use of plutonium before we know that we can deal safely with its risks.

I continue to oppose making premature and unnecessary commitments to commercialization of the fast breeder reactor and reprocessing, as exemplified in the United States by the Clinch River and Barnwell projects.

We and the other nations of the world must use the time we now have and pause to develop safer technologies, better institutional arrangements, and improved safeguards which will permit all nations to achieve their energy objectives while preventing the spread of nuclear weapons.

More than 40 nations have already joined with us in an International Nuclear Fuel Cycle Evaluation to explore and assess our means of meeting these twin goals. During this period of examination, the uranium-fueled reactors now in widespread operation can be used without incurring new proliferation risks. If our common search for improved institutions and technologies is to be successful,

however, all nations will be required to avoid those steps which prejudice the outcome of the INFCE.

The Nuclear Non-Proliferation Act sets the conditions and criteria which will govern U.S. cooperation with other nations in our efforts to develop the peaceful use of nuclear energy. The encouragement of universal ratification of the Non-Proliferation Treaty is central to the act, as is the establishment of a comprehensive set of controls, including application of International Atomic Energy Agency safeguards and provision of a stable framework for international nuclear cooperation and commerce. The act will also make our export licensing process more predictable.

We also will be taking steps to strengthen the safety and security of the fuel cycle we now have in operation and to ensure that it continues to be an efficient and reliable source of energy, both domestically and abroad.

Over the course of this year, we will develop comprehensive policies for management and disposal of radioactive waste, including implementation of the spent fuel storage program announced last October. To ensure our ability to continue as a reliable supplier of uranium fuel to those who share our nonproliferation objectives, we are moving ahead with a new enrichment plant at Portsmouth, Ohio.

Preventing nuclear proliferation will not be easy—some have called this task impossible. I believe, however, that halting the spread of nuclear weapons is imperative. We must press forward in our efforts. Fear of failure cannot be allowed to become a self-fulfilling prophecy.

In our first year, we have made substantial progress. The nuclear-supplying countries have agreed upon and published guidelines for the export of nuclear fuel and technology. The International Nu-

clear Fuel Cycle Evaluation is under way. As this legislation now becomes law, we are establishing clear criteria and incentives for nuclear cooperation, as well as sanctions against violations of safeguards.

Although I still have reservations about the numerous provisions in this act which state that Congress may invalidate or approve executive branch action by concurrent resolution, I am signing it because of its overwhelming importance to our nonproliferation policy. I do wish to make clear, however, that by signing this act, I am not agreeing that the Congress can overturn authorized executive actions through procedures not provided in the Constitution.

In conclusion, I am persuaded that the new criteria, incentives, and procedures in this act will help solve the problems of proliferation. They will help to ensure that access to nuclear energy will not be accompanied by the spread of nuclear explosive capability. While I recognize that some of these provisions may involve adjustments by our friends abroad, this more comprehensive policy will greatly increase international security. I believe that they will ultimately join us in our belief that improved world security justifies the steps which we all must take to bring it about. Control over the spread of nuclear weapons on our planet is one of the paramount questions of our time.

If the world is to benefit from the great potential of nuclear power, we must act now to protect ourselves and future generations from its worst dangers. We in the United States will dedicate our expertise and technical resources to this task, and we urge other countries to do the same. Let us continue to work together to achieve these goals.

NOTE: As enacted, H.R. 8638 is Public Law 95-242, approved March 10.

## Budget Deferrals

*Message to the Congress. March 10, 1978*

*To the Congress of the United States:*

In accordance with the Impoundment Control Act of 1974, I herewith report a new Department of Agriculture deferral of Forest Service funds totalling \$4.5 million in budget authority. In addition, I am reporting a routine revision to a previously reported deferral of Forest Service funds, increasing the amount deferred by \$4.8 million.

The details of each deferral are contained in the attached reports.

JIMMY CARTER

The White House,  
March 10, 1978.

NOTE: The attachments detailing the deferrals are printed in the **FEDERAL REGISTER** of March 16, 1978.

## Meeting With Israeli Defense Minister Ezer Weizman

*White House Statement. March 10, 1978*

The President met this afternoon for 70 minutes with Israeli Defense Minister Ezer Weizman for an exchange of views on the security situation in the Middle East and the status of the current peace negotiations.

The President assured the Defense Minister that United States commitment to the strength and security of Israel was a fundamental aspect of American Middle East policy and would continue to be in the future.

The President reviewed the close cooperation which currently exists between Israel and the United States on security matters, noting that he had approved in

the current budget \$1 billion in financing for Israeli military purchases, half of which would be a direct grant, in addition to \$785 million in security supporting assistance. He also reviewed the recent approval of \$1.8 billion worth of advanced jet fighter aircraft to be sold to Israel as part of a Middle East package.

The President briefly reviewed with Defense Minister Weizman the status of the peace negotiation process in the Middle East and his hope that current difficulties can be overcome and the opportunities for peace realized.

Also present at the meeting on the U.S. side were the Vice President, Secretary of State Vance, Secretary of Defense Brown, Dr. Brzezinski, and William Quandt of the NSC staff.

Defense Minister Weizman was accompanied by Ambassador Dinitz, Col. Ilan Tehila, and Minister Yosef Chihano, in charge of procurement of the Israeli Embassy.

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *March 5*

The President returned to the White House after a weekend stay at Camp David, Md.

The President declared a major disaster for the State of Arizona as a result of severe storms and flooding, beginning about February 28, which caused extensive public and private property damage.

### *March 6*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- the Cabinet;
- the bipartisan congressional leadership;
- Vice President Walter F. Mondale;
- Senator Floyd K. Haskell of Colorado and Rabbi Stanley M. Wagner, professor of Judaic studies at the University of Denver;
- Joseph M. McLoughlin, president of the International Association of Lions Clubs;
- Mayor Cooper Tedder and City Manager Thomas Edwards of Florence, S.C.;
- winners of the Westinghouse National Science Talent Search.

### *March 7*

The President met at the White House with:

- David L. Aaron, Deputy Assistant for National Security Affairs;
- Mr. Moore;
- the Democratic congressional leadership;
- Senator Russell B. Long of Louisiana;
- James T. McIntyre, Jr., Acting Director of the Office of Management and Budget.

### *March 8*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Representative Glenn M. Anderson of California;
- Representative Charles B. Rangel of New York;

*Administration of Jimmy Carter, 1978*

- W. Averell Harriman;
- Mrs. Carter, for lunch;
- Representative Neal Smith of Iowa;
- Mike Mansfield, U.S. Ambassador to Japan;
- British Foreign Secretary David A. L. Owen to discuss the Rhodesian situation.

*March 9*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Representative Lee H. Hamilton of Indiana;
- Senator Dennis DeConcini of Arizona.

The President hosted a White House reception for Florida citizens who had supported him during the Presidential campaign.

The President attended a portion of the Radio and Television Correspondents Association's dinner held at the Washington Hilton Hotel.

*March 10*

The President met at the White House with:

- Vice President Mondale, Secretary of State Cyrus R. Vance, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski;
- Dr. Brzezinski;
- Mr. Moore;
- Senator Edward W. Brooke of Massachusetts;
- Senators Russell B. Long of Louisiana and Daniel Patrick Moynihan of New York, and Representatives Al Ullman of Oregon and James C. Corman of California;
- Senator Paul Hatfield of Montana;
- Postmaster General Benjamin F. Bailar;

- Democratic National Committee Chairman John C. White.

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**NOMINATIONS SUBMITTED  
TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

**Submitted March 8, 1978**

HERBERT L. CHABOT, of Maryland, to be a Judge of the United States Tax Court for a term of 15 years after he takes office, vice Bruce M. Forrester, retired.

**Submitted March 9, 1978**

The following-named persons to be members of the United States Metric Board for the terms indicated (new positions):

DENNIS R. SMITH, of Massachusetts, for a term of 2 years.

ANDREW H. KENOPENSKY, of New Jersey, for a term of 6 years.

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**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released March 6, 1978**

Biographical data: membership of the Board of Inquiry to investigate the coal strike

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved March 7, 1978**

H.R. 9375----- Public Law 95-240  
Supplemental Appropriations Act, 1978.

**Approved March 8, 1978**

H.R. 10368----- Public Law 95-241  
An act to amend the Federal Aviation Act of 1958 relating to eligibility for registration of aircraft.

**Approved March 10, 1978**

H.R. 8638----- Public Law 95-242  
Nuclear Non-Proliferation Act of 1978.



# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, March 17, 1978

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## Terrorist Attack in Israel

*Statement by the President. March 11, 1978*

The terrorist attack on a bus today in Israel was an outrageous act of lawlessness and senseless brutality. Criminal acts such as this advance no cause or political belief. They inspire only revulsion at the lack of respect for innocent human life.

NOTE: Members of the Palestinian guerrilla organization Al Fatah seized a sightseeing bus north of Tel Aviv and forced it south. They were stopped by Israeli security forces in Herzliya. In the aftermath of the attack, 35 Israelis and 9 of the terrorists were dead.

and all of the American people, who share your sorrow. Please give my personal sympathy to the families of the many who died and to those who were wounded. I am particularly distressed that an event such as this should occur just as you were preparing to depart on your mission of peace. I continue to look forward to talking to you soon and relaying to you in person the deep emotions which this event has aroused in this country. In the meantime, please accept, Mr. Prime Minister, my deepest and most heartfelt condolences.

JIMMY CARTER

## Terrorist Attack in Israel

*Letter to Israeli Prime Minister Menahem Begin. March 11, 1978*

*Dear Mr. Prime Minister:*

It was with a sense of deep personal shock and moral outrage that I learned of the cowardly and senseless attack today on a group of innocent civilians. This brutal act of terrorism will surely be met with universal revulsion by all men of conscience. I know the pain and distress which you must be experiencing at this tragic moment, and I offer you the condolences and deep sympathy of myself,

## Energy Emergency in Ohio

*Statement on Extending the Energy Emergency Determination. March 13, 1978*

Based on a petition submitted to me by the Governor of the State of Ohio, pursuant to Section 110(f) of the Clean Air Act, I determined on February 11, 1978, that a regional energy emergency existed in the State of Ohio of such severity that a temporary suspension of certain particulate control regulations under the Ohio Air Quality Implementation Plan might be necessary. I ordered the determination to be in effect for not more than 30 days

unless I rescinded it before that time or extended it. Because of the continuing energy supply problems throughout the State, I hereby extend the regional energy emergency determination for the State of Ohio for a second 30-day period. During this extension, the Administrator of the Environmental Protection Agency retains full authority to disapprove temporary suspensions of regulations in Ohio on a case-by-case basis and to exercise his emergency powers authority under Section 303 of the Clean Air Act, when and if necessary.

I urge the Governor to continue to act with due care if he further suspends any air pollution regulations under the authority provided by the extension of this determination, since such regulations are important to protect public health.

NOTE: The Presidential determination is printed in the *FEDERAL REGISTER* of March 24, 1978.

## Rural Telephone Bank

*Appointment of Five Members of the Board of Directors. March 13, 1978*

The President today announced the appointment of five persons as members of the Board of Directors of the Rural Telephone Bank. They are:

EILEEN J. A. GREVEY, commissioner of the New Mexico Public Service Commission in Santa Fe;

ALEX P. MERCURE, Assistant Secretary of Agriculture for Rural Development;

CLIFFORD M. OUSE, Special Assistant to the Secretary of Agriculture;

ROBERT L. STANTON, president and director of the Rock Port Telephone Co. in Rock Port, Mo., and vice president of Stanton Grain Co.;

SARAH WEDDINGTON, General Counsel of the Department of Agriculture.

The Rural Telephone Bank is part of the Rural Electrification Administration. It was established in 1971 to make loans to rural telephone systems.

## Securities Investor Protection Corporation

*Nomination of Three Directors. March 13, 1978*

The President today announced three persons whom he will nominate to be Directors of the Securities Investor Protection Corporation. They are:

RALPH D. DENUNZIO, of Riverside, Conn., for a term expiring December 31, 1979 (reappointment). DeNunzio, 47, is president and chairman of the executive committee of Kidder, Peabody & Co. In 1971 and 1972, he was chairman of the board of governors of the New York Stock Exchange, the youngest person to hold that office.

BRENTON H. RUPPLE, of Milwaukee, Wis., for a term expiring December 31, 1978 (replacing Glenn E. Anderson, term expired). Ruppel, 53, is president and chief executive officer of Robert W. Baird & Co. in Milwaukee.

MICHAEL A. TAYLOR, of New York, N.Y., for a term expiring December 31, 1980 (replacing Henry Meers, term expired). Taylor, 40, is senior vice president, assistant to the chairman, and director of corporate relations for Paine, Webber, Jackson & Curtis. From 1969 to 1971, he was counsel to the House Subcommittee on Consumer Protection and Finance.

The Securities Investor Protection Corporation was established in 1970 to administer an insurance fund for limited investor protection against financial failures of brokerage firms.

## Comprehensive Employment and Training Act

*Statement on the Level of Public Service Jobs Under the Program. March 14, 1978*

It gives me great pleasure to announce that the level of public service jobs under the CETA program reached 753,000 in the first week of March. This surpasses

the target of 725,000 we had set for that date more than 9 months ago.

Last May, when the economic stimulus package was passed, there were fewer than 300,000 jobs being provided by the major public service employment titles of the Comprehensive Employment and Training Act. There were numerous contentions that we would be unable to meet our schedule of 725,000 jobs by March 1.

Not only did we meet the target, but we met it in the week we had scheduled more than 9 months ago. This demonstrates that the CETA system is an effective fiscal policy tool that can move rapidly against the problem of unemployment.

This rapid expansion of the public service jobs program was done without the creation of a large, new Federal bureaucracy.

It was done, as a recent study by Richard Nathan of the Brookings Institution indicates, without a significant degree of substitution of CETA workers for regular municipal employees.

The increase in CETA employment since May was accompanied by a much larger increase in private sector employment. While the 450,000 new CETA jobs were being created, private employment increased by 2.6 million. The unemployment rate fell from 7.1 percent to 6.1 percent now. Black employment increased by 5.9 percent. It is estimated that 33 percent of that increase was due to the buildup of the CETA system jobs.

The growth since May has been concentrated much more heavily among disadvantaged workers than before. Prior to the expansion, fewer than half the enrollees in the major CETA employment titles were disadvantaged. During the expansion, more than 86 percent of new enrollees were disadvantaged. I have submitted to the Congress a reauthorization

of the CETA bill that will devote 100 percent of the future resources of the system to the disadvantaged.

The new bill also contains a provision that automatically increases the funding for this program when the unemployment rate rises. Our recent success in reaching the 725,000 jobs target indicates these additional funds will be able to be spent quickly and efficiently, as we had intended when drafting the new bill.

I took office with the firm conviction that government can be made to work compassionately, quickly, and effectively. The successful expansion of the public service jobs program within such a short period of time reaffirms my faith in the ability of government to deal directly with serious economic and social problems.

## Energy Emergency in Alabama

*Statement by the President. March 14, 1978*

Based on a petition submitted to me by the Governor of the State of Alabama, pursuant to Section 110(f) of the Clean Air Act, I hereby determine that a regional energy emergency exists in the State of Alabama of such severity that a temporary suspension of certain particulate and sulfur dioxide control regulations under the Alabama Air Quality Implementation Plan may be necessary, and that other means of responding to the energy emergency may be inadequate. This determination shall be effective for not more than thirty (30) days, provided that the State of Alabama shall comply with the conditions set forth in this determination. If, during the period of suspension, I find that a regional energy emergency no longer exists in Alabama, I will direct that this determination of regional energy emergency be rescinded and that all sus-

pension orders issued by the Governor be terminated effective on the day of that rescission. The Administrator of the Environmental Protection Agency retains full authority to disapprove temporary suspensions of regulations in Alabama and to exercise his emergency powers authority under Section 303 of the Clean Air Act, when and if necessary.

I urge the Governor to act with due care if he suspends air pollution regulations under the authority provided by this determination, since such regulations are important to protect public health. I urge the Governor to consider carefully that suspensions which would allow a facility to burn available fuel which could not otherwise be utilized generally are appropriate. On the other hand, suspensions which permit facilities to turn off pollution control devices should be used sparingly and as a last resort, because such suspensions will accomplish only small energy savings while increasing risks to public health.

I also urge the Governor to implement fully necessary energy conservation measures so that the necessity for suspension of pollution control regulations can be minimized.

NOTE: The Presidential determination is printed in the FEDERAL REGISTER of March 24, 1978.

## Department of State

*Nomination of David D. Newsom To Be Under Secretary for Political Affairs. March 14, 1978*

The President today announced that he will nominate David D. Newsom, of Berkeley, Calif., to be Under Secretary of State for Political Affairs. He would replace Philip C. Habib, whose resignation the President accepted today.

Newsom was born January 6, 1918, in Richmond, Calif. He received an A.B. from the University of California in 1938 and an M.S. from Columbia University in 1940. He served in the U.S. Navy from 1942 to 1946.

Newsom was a newspaper reporter from 1938 to 1941, and was publisher of the Walnut Creek (Calif.) Courier-Journal in 1946 and 1947. He joined the Foreign Service in 1947 and served as information officer in Karachi from 1948 to 1950.

Newsom was visa officer in Oslo from 1950 to 1951, and public affairs officer in Baghdad from 1951 to 1955. He was officer in charge of Arabian Peninsula affairs at the State Department from 1956 to 1959.

From 1960 to 1962, Newsom was political officer in London. From 1962 to 1965, he was Deputy Director, then Director, of the Office of Northern African Affairs at State.

From 1965 to 1969, Newsom was Ambassador to Libya. He was Assistant Secretary of State for African Affairs from 1969 to 1974. From 1974 to 1977, he was Ambassador to Indonesia, and since 1977 he has been Ambassador to the Philippines.

## Labor Disputes in the Coal Industry

*White House Statement on the Tentative Agreement. March 14, 1978*

The President is "pleased and encouraged" by the announcement of a tentative agreement. "The welfare of our country requires a dependable supply of coal. A negotiated national contract is the best way to assure that supply."

## Nuclear Waste Management Task Force

*Memorandum From the President.*  
*March 13, 1978*

*Memorandum for the Secretary of State, the Secretary of the Interior, the Secretary of Transportation, the Secretary of Energy, Chairman, Council on Environmental Quality, Administrator, Environmental Protection Agency, Acting Director, Office of Management and Budget, Director, Office of Science and Technology Policy, Assistant to the President for Domestic Affairs and Policy, Assistant to the President for National Security Affairs*

**Subject:** Interagency Nuclear Waste Management Task Force

By this memorandum I am establishing an interagency Nuclear Waste Management Task Force to formulate recommendations for establishment of an Administration policy with respect to long-term management of nuclear wastes and supporting programs to implement this policy. I have asked the Secretary of Energy to chair this Task Force.

The Department of Energy is issuing a draft report setting forth preliminary views on key issues in the waste management area. This report should serve as the basis of initial discussion for the Task Force. Areas which should be considered, leading to establishment of an Administration policy for nuclear waste management, include wastes from commercial nuclear power operations, existing low-level, transuranic (TRU), and high-level defense wastes. In addition, on-going programs should be reviewed to assure that the policy is implemented in a timely manner. Attention should also be given to the necessity of legislation, environmental assessment, support for our non-prolifer-

ation objectives, and budgetary impacts including potential involvement in waste management programs by private industry.

The deliberations of the Task Force should include opportunity for appropriate participation by the interested public, industry, States, and Members of Congress.

I am directing that the activities of the Task Force be initiated by March 15 and final recommendations should be completed by October 1, 1978.

JIMMY CARTER.

NOTE: The text of the memorandum was released on March 15.

## Cancer Control Month, 1978

*Proclamation 4552. March 15, 1978*

*By the President of the United States of America*

### A Proclamation

Of all known diseases in this country, cancer is probably the most feared. Recent statistics indicate that 700,000 cases of cancer will be diagnosed in the United States in 1978 and that 390,000 Americans will die of some form of the disease this year. Only through continued support of cancer research and control can we reduce these figures.

The Federal Government, in cooperation with non-Federal organizations, is committed to finding the cause and cure of all forms of cancer and of controlling it to the extent possible while that search goes on. Since the inception of the National Cancer Program, we have learned much about the cause, detection, treatment and control of cancer. Today, cancer can often be detected earlier, making more effective treatment possible and sav-

ing many lives. Surgical, radiation and chemotherapy techniques have been improved, and research shows promise of adding immunotherapy as an additional method of treatment. Because prevention offers the best hope for ultimate control of cancer, cause and prevention research remains one of our highest priorities for we still have much to learn.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim the month of April, 1978, as Cancer Control Month as requested in the joint resolution of the Congress March 28, 1938 (52 Stat. 148, 36 U.S.C. 150). I invite the Governors of the States and the appropriate officials of all other areas under the United States flag to issue similar proclamations.

I also encourage the medical and health professions, the communications media and other interested persons and groups to take this opportunity to educate the people on this subject and to help them to take advantage of available resources to prevent needless suffering and death.

IN WITNESS WHEREOF, I have hereunto set my hand this fifteenth day of March, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 4:25 p.m., March 15, 1978]

## United States Military Academy Board of Visitors

*Appointment of Harry Y. Baxter and Margaret Buckner Young as Members.  
March 15, 1978*

The President today announced the appointment of Harry Y. Baxter and

Margaret Buckner Young as members of the Board of Visitors to the United States Military Academy for terms expiring December 30, 1980.

Baxter, 47, of Burlington, Iowa, is a stockbroker with Schoff & Baxter.

Young, 56, of New Rochelle, N.Y., is the author of several children's books and taught at Kentucky State College and Atlanta University.

## United States Advisory Commission on International Communication, Cultural and Educational Affairs

*Nomination of Olin C. Robison To Be a Member. March 15, 1978*

The President today announced that he will nominate Olin C. Robison, of Vermont, to be a member of the United States Advisory Commission on International Communication, Cultural and Educational Affairs for a term of 1 year. Upon confirmation by the Senate he will be designated Chairman.

Robison was born May 12, 1936, in Anacoco, La. He received his B.A. from Baylor University in 1958 and a Ph. D. from Oxford University in 1963. He attended Southwestern Theological Seminary from 1958 to 1960.

From 1961 to 1963, he served with the United States Air Force in England as auxiliary chaplain and as assistant education officer. He was dean of students at San Marcos Academy from 1963 to 1964. From 1964 to 1966, he worked with the Peace Corps as regional officer for the University Relations and Training Division. Robison was Special Assistant to the Deputy Under Secretary of State for Political Affairs. From 1968 to 1970, he was associate provost for the social sciences and lecturer in public affairs at Wesleyan

University (Conn.). He was provost, dean of the faculty, and senior lecturer in government and legal studies at Bowdoin College (Maine) from 1970 to 1975. Since 1975 he has been president of Middlebury College.

## Mississippi River Commission

**Nomination of Roy T. Sessums and James W. Yancey To Be Members. March 15, 1978**

The President today announced that he will nominate Roy T. Sessums and James W. Yancey to be members of the Mississippi River Commission for terms of 9 years.

Sessums, 69, of Metairie, La., would be reappointed to the Commission. He is a former director of the Louisiana Department of Public Works (1953 to 1955) and former professor of civil engineering at Louisiana Polytechnic Institute. From 1955 to 1973, he was with the Freeport Minerals Co., retiring as vice president. Since 1973 he has been a consultant to Freeport Minerals Co. He was a member of the National Offshore Operations Industry Advisory Committee to the Commandant of the U.S. Coast Guard from 1959 to 1973, and served on the President's Water Pollution Control Advisory Board in 1967 and 1968.

Yancey, 55, of Marianna, Ark., has been a farmer and ginner for the past 40 years. He served in the United States Navy from 1941 to 1945. He is president of the board of directors of the Mid-South Cotton Growers Association and president and manager of Marianna Gin, Inc. Yancey is a delegate and representative of the First Congressional District and also serves as a member of the executive board of the Arkansas Association of Quorum Courts.

## Democratic Congressional Campaign Dinner

**Remarks at the Dinner. March 15, 1978**

It's a great honor for me to be here and to be introduced by one of the finest men I've ever known, Vice President Maddox—I mean, Vice President Mondale. [Laughter]

I've had a hard time lately. It's hard to make decisions. I avoided it all during the campaign. One of the good things about running for President, there are so many different issues to be fuzzy on. [Laughter] But then when you get in the Oval Office, it's all changed, and the hard matters press upon you.

One thing I had to decide very early was who would lead our great Democratic Party. And I have to say that the people who really lead and support the Democratic Party are the ones who, year after year, have made a tremendous sacrifice to make it possible to select and present to the American people for election the wonderful Democratic leaders who serve in the Congress, in the House and Senate. I thank you all for doing that.

Speaker O'Neill and Majority Leader Byrd are the two greatest congressional leaders I've ever had a chance to work with as President. We have a wonderful chairman, John White.

When I was first elected, I had to make a decision about Bob Strauss. I asked him to come over as Special Trade Representative, which was one of the best decisions I ever made for the Democratic Party. I needed to have restored business confidence. The stock market fell 300 points. He's in charge of foreign trade. We had a \$30 billion trade balance last year—deficit. He's also in charge of the value of the dollar, as you know. [Laughter]

I have had some happy days. One was just before Christmas, when I got a report

that the energy conference had reached an agreement. And I've had several happy days when we've resolved the terms of the coal contract. *[Laughter]*

I've also had a chance to learn a lot. I came here naive, proud of myself for having been elected as the first person from the Deep South to take over the reins of the great Federal Government of our country. And then I came to Washington and found out that Russell Long had filled that position for a long time. *[Laughter]*

I wanted to bring a breath of fresh air to Washington. I told my Cabinet that I wanted to get away from the smoke-filled rooms. Joe Califano was the only one that heard me. *[Laughter]*

I have had an ability to kind of roll with the punches. I've been criticized a lot, as you know, either for indecision or for making decisions. The Republicans have been constantly on the attack, claiming that my foreign policy was a disaster. I felt when I took office that there ought to be some continuity at least between the Republicans and Democrats. *[Laughter]*

We've had some unpopular decisions, I know. I understand from the Park Service that you have to stand in line now to get a permit to demonstrate against me in front of the White House. *[Laughter]* So, one of my good friends, who happens to be a Governor from California, recommended that I get ahold of a good and popular issue. He thought that I ought to look to the South since everybody loves our friends in this hemisphere. He suggested that the Panama Canal Treaty would be a good issue—*[laughter]*—to get ahold of. And he was right. This has helped with the demonstrations. This is the only subject we've never had a demonstration in front of the White House in favor of, the Panama Canal treaties. *[Laughter]*

I've had a hard time learning how to compromise. It's very difficult for me, as has also been criticized. The other day Jim Allen came in, and I thought I had finally achieved success. He said, "I am ready to compromise with you on the Panama Canal treaties," and I breathed a sigh of relief. He said, "I've worked out a deal where we give the Panamanians one side of the canal and we keep the other side." *[Laughter]* I responded to this well, because we've been looking for a place for a Palestinian homeland. *[Laughter]*

I thought the best way to resolve the issue and to demonstrate the strength of my own leadership was to have a mass meeting in support of the Panama Canal treaties, and we had the meeting. Both of us were very glad that the other one came. *[Laughter]*

That was one of my worst days. I have a hard time relaxing after I get back to the Mansion, but that night I decided I'd get in the tub, take a warm bath—and my Ivory soap sank. *[Laughter]*

I think it's good when we gather together as Democrats to recognize our strengths and our weaknesses. We stand these days, with the help of Tip O'Neill, Bob Byrd, many of you, particularly Wendell Ford and Jim Corman,<sup>1</sup> who have done such a superb job this year and for whom we'll be deeply grateful the morning after the election in November, as a united party.

There are no differences that separate us one from another, and there is a strong sense that I have of mutual respect and cooperation between the Congress and the White House, executive branch of Government.

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<sup>1</sup> Senator Wendell H. Ford, chairman of the National Democratic Campaign Committee, and Representative James C. Corman of California, chairman of the Democratic National Congressional Committee.



We are a party which does not believe in unanimity. We are a party which does not believe in complacency. We inherited some tremendous challenges and problems which have become opportunities for us.

When I came into office a little more than a year ago, out of every 100 people of working age, 8 were looking for jobs. And because of the tremendous work of the Congress during 1977, we had a net increase of 4 million jobs in the United States, the greatest increase in the history of our country. And the most recent statistics, as you know, on unemployment are only about 6 percent, a tremendous growth in the strength of our people and their confidence in the future, brought about by the simple right to work for their own living.

Last year the Congress reduced taxes \$6 billion. This year we expect to reduce taxes again \$25 billion.

We've begun to reorganize our own Government to make it more effective, more efficient, more responsive, more open, more simple; to do away with the redtape that strangles us and the paperwork that suffocates us; to try to write regulations in simple terms that people can understand; to draw together those who work for and with the Government of our country.

We proposed and put into effect one of the most far-reaching health programs for young people ever seen in our Nation and the biggest increase in the budget for simple education in history.

We've raised a banner, that can be seen clearly throughout the world, of openness and decency and commitment to the principles on which our Nation was founded—the principles of freedom, of liberty, of basic human rights. And this is a standard that we will never lower as long as Democrats run this Government.

We've strengthened our ties with our friends and allies around the world, and

our potential adversaries know that we deal from a position of wanting peace. I hope to have success this year in negotiations to limit and to reduce and to restrain the investments in atomic weapons, to have a comprehensive test ban. And the Congress has recently presented to me and I signed into law, for the first time, a comprehensive way to permit atomic power to be used for peaceful purposes, but to prevent nations from having nuclear explosives derived from this superb, peaceful use.

We are a nation which is strong, which is confident. We're a nation united. We're a nation with the prospect for the future that doesn't cause concern. We're struggling with issues without timidity or fear, without trepidation or hesitation. We're a nation that, through strength, has achieved for this first 14 months—and we will retain as long as this administration lasts—absolute peace for American men and women throughout the world. We have peace, and we're going to keep it.

America is a multifaceted community. We pride ourselves on individuality, on the right to be different, the right to speak our piece, the right to be heard, the right to debate, the right to reach a solution through tough, independent negotiations. We respect one another because we are one people.

In 1976 American voters, having confidence in us, gave a mandate for administration, and in 1978, this year, all of us jointly, working together, recognizing from whence comes our strength, will take this superb vision of what our Nation can be to the people. And in that effort, I have no doubt that we will be successful.

Thank you very much.

NOTE: The President spoke at approximately 9:45 p.m. in the International Ballroom at the Washington Hilton Hotel. He was introduced by Vice President Walter F. Mondale.

**Small Business Week, 1978*****Proclamation 4553. March 16, 1978***

*By the President of the United States  
of America*

**A Proclamation**

Small business has been the economic backbone of American life since the earliest colonial days. Traders, craftsmen and merchants spurred the economy and played a vital role in the Nation's westward movement and growth. They helped create the multitude of opportunities that distinguish our free enterprise system—the system which has made American progress the envy of the world.

Of the 14 million businesses in the United States today, more than 13 million of them are small, including some three million farms. Together, they provide employment for over half the business labor force and account for more than 48 percent of the gross business product. America's prestige in the world today could never have been achieved without this outstanding productivity.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim the week beginning April 30, 1978, as Small Business Week, and I urgently call on every American to join me in this very special tribute.

IN WITNESS WHEREOF, I have hereunto set my hand this sixteenth day of March, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
3:44 p.m., March 16, 1978]

**World Trade Week, 1978*****Proclamation 4554. March 16, 1978***

*By the President of the United States  
of America*

**A Proclamation**

From the days of its founding, the United States has always been a trading nation. Commercial relations with the rest of the world enabled our country to develop, prosper, and grow strong. Today, more than ever, international trade is essential to our national well-being.

For the American consumer, expanded trade means broader choices in the marketplace. For American business, it means more opportunities to sell the products of American ingenuity in the world's markets. For the American worker, it means more jobs at home.

International trade encourages the exchange of ideas as well as knowledge and experience among nations. It helps make better use of global resources and nurtures trust among the world's nations.

The United States is firmly committed to fair and open trade. To that end, we and our trading partners are pledged to eliminate impediments to trade, bring about sound and liberal trade rules, and keep the world's economy moving ahead.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States, do hereby proclaim the week beginning May 21, 1978, as World Trade Week, and I urge that all the people of the United States participate during this week in activities that will promote continuing awareness of the importance of world trade to our Nation.

IN WITNESS WHEREOF, I have hereunto set my hand this sixteenth day of

March, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
3:45 p.m., March 16, 1978]

## National Maritime Day, 1978

*Proclamation 4555. March 16, 1978*

*By the President of the United States  
of America*

### A Proclamation

The American Merchant Marine is the lifeline that links America with its overseas trading partners. In times of peace, it builds our economy; in times of national emergency, it provides logistic support to our armed forces.

In recognition of the importance of the American Merchant Marine, the Congress, by joint resolution of May 20, 1933 (48 Stat. 73; 36 U.S.C. 145), designated May 22 of each year as National Maritime Day in commemoration of the departure from Savannah, Georgia, on that date in 1819 of the SS *Savannah* on the first transatlantic voyage by any steamship, and requested the President to issue annually a proclamation calling for its appropriate observance.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby urge the people of the United States to honor our American Merchant Marine on May 22, 1978, by displaying the flag of the United States at their homes and other suitable places, and I request that all ships sailing under the American flag dress ship on that day.

IN WITNESS WHEREOF, I have hereunto set my hand this sixteenth day of March, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
3:46 p.m., March 16, 1978]

## Aldo Moro

*Letter to President Giovanni Leone of Italy on the Kidnapping of the Former Italian Prime Minister. March 16, 1978*

*Dear Mr. President:*

I was shocked to hear of the terrorist kidnapping of Aldo Moro. I know that millions of Americans join me in praying for his quick and safe return. This outrage deeply affects all of us. Please convey my personal sympathies to the Moro family and to the families of the brave men slain in the line of duty in this senseless terrorist attack.

Sincerely,

JIMMY CARTER

NOTE: Former Prime Minister Moro was abducted in Rome en route from his home to a meeting of the Italian Parliament by members of the Red Brigades, an Italian terrorist group. His bodyguards were slain during the incident.

## United States Naval Academy Board of Visitors

*Appointment of Mary Ellen Hanley and  
Albert H. Rusher as Members.  
March 16, 1978*

The President today announced the appointment of Mary Ellen Hanley and Albert H. Rusher as members of the Board

of Visitors of the United States Naval Academy for the terms expiring December 30, 1980.

Hanley, 48, of Seattle, Wash., served in the United States Marine Corps from 1951 to 1954. She received a B.S. from Brown University in 1951 and a J.D. from the University of Washington, 1958. Since 1963 she has been a partner with Karr, Tuttle, Koch, Campbell, Mawer & Morrow, Attorney at Law.

Rusher, 55, of Brinkley, Ark., served in the United States Navy from 1946 to 1949. He received his B.S. from the United States Naval Academy in 1946. He has been with the Bank of Brinkley since 1963 and has been president since 1969. Rusher is also partner in ownership and operation of Rusher Insurance Agency.

## St. Patrick's Day, 1978

*Message of the President. March 16, 1978*

Throughout America—wherever the irrepressible Irish spirit thrives—St. Patrick's Day is a special time for celebration. Each year it reminds us of the warmth, the joy in living, and the basic human goodness of the Irish people whose qualities are so deeply etched upon our own national character.

Recognizing the unique bond of festivity, faith, and national pride that this day commemorates, Rosalynn and I join every American in honoring St. Patrick's Day by the wearing o' the green.

JIMMY CARTER

## Railroad Rehabilitation

*Announcement of Proposed Legislation. March 16, 1978*

The President has asked Transportation Secretary Brock Adams to send to

Congress legislation that would enable the States to help maintain important local rail freight service.

The Railroad Amendments Act of 1978 would streamline the process by which States receive Federal money to rehabilitate unprofitable branchlines that provide service vital to local economies.

Under existing law, railroads must obtain permission from the Interstate Commerce Commission to abandon a branchline before that line is eligible for Federal assistance. The administration's proposal would eliminate that requirement, allowing States to make grants or loans for rehabilitation before rail lines have been abandoned.

It would also eliminate the provision in the current law that allocates at least 1 percent of available funds to each State, even if the State has no lines eligible for assistance.

The benefits of the legislation will be felt especially in the Midwest, where some railroads are facing a severe financial crisis.

The proposal, which is being transmitted to Congress today, does not increase the cost of the branchline program, currently authorized at \$360 million.

## Panama Canal Treaties

*Remarks on Senate Ratification of the Neutrality Treaty. March 16, 1978*

I have a brief statement to make.

The people of our Nation owe a debt of thanks to the Members of the United States Senate for their courageous action taken today in voting for the Panama Canal neutrality treaty.

I add my sincere personal congratulations to the entire Senate, and especially to the three men who have led their

colleagues with bipartisan statesmanship and wisdom through this long debate—Senator Robert Byrd, the majority leader, Senator Howard Baker, the minority leader, and Senator John Sparkman, chairman of the Senate Foreign Relations Committee.

As a nation, we also owe our gratitude and admiration to former President Ford and to Democratic and Republican leaders who have served in previous administrations who, by giving the treaties their support, gave us the opportunity to judge the treaties on their merits and not on a partisan, political basis.

This vote today is, of course, only the first step in the process of ratification, but I am confident that the Senate will show the same courage and foresight when it considers the second treaty. This is a promising step toward a new era in our relationships with Panama and with all of Latin America.

General Torrijos and the Panamanian people have been patient and forbearing during the negotiations and during the Senate debate. They've earned the confidence and respect of the American people. Their actions during the last few months is proof of their willingness to form a partnership with us, to join in cooperation rather than confrontation.

It's been more than 14 years since negotiations began with Panama, and we've been through many months of discussion and debate about the two treaties that the Senate has considered. This has been a long debate, but all of us have learned from it.

The basic purpose and the underlying principles of the treaty have been affirmed and strengthened by the actions of the Senate. Under the treaty as approved, the United States and Panama will have joint responsibility to assure that the canal after the year 2000 will remain neutral and secure, open and accessible.

The United States can take whatever actions are necessary to make sure the canal remains open and safe. The vessels of war and auxiliary vessels of the United States and Panama are assured of transit through the canal as quickly as possible and can go to the head of the line in time of emergency or need.

While the right of the United States and Panama to act against any threat to the regime of neutrality is assured by this treaty, it does not mean that there is a right of intervention, nor do we want a right of intervention by the United States in the internal affairs of Panama.

But perhaps the most encouraging lesson of all in these last long months is that in a full and open debate, even in a very controversial and difficult issue, in our foreign policy objectives, we can still reach the decisions that are in our Nation's long-term, best interests.

I congratulate again the Senators for their decision and give them, on behalf of the Nation, my sincere thanks.

NOTE: The President spoke at 5 p.m. to reporters assembled in the Briefing Room at the White House.

Earlier, the Senate had voted 68–32 to ratify the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

## Interview With the President

*Remarks and a Question-and-Answer Session  
With Members of the American Press Institute.  
March 16, 1978*

THE PRESIDENT. I appreciate your letting me interrupt your meeting. I'd like to restrict our time, which was set up for 30 minutes, to 25 minutes, so that the 5 I might have an individual picture made with you if you have no objections to that. And I'll try to abbreviate my answers so

you won't have to suffer because of a lack of time.

#### ADMINISTRATION POLICIES

Today is, I guess, a typical day in the life of a President. I thought I might just outline briefly a few of the things that we are addressing on a very current basis.

I've been on the phone and meeting privately with Cy Vance this morning and last night on the Israeli-Lebanese question, which is a matter of great concern to us and which involves not only our nations but also the United Nations today.

We're working to try to understand the possibilities of the coal strike being resolved. As you know, this is the third contract that has been negotiated, the second one that the bargaining council has approved, and we're trying to monitor that progress and also to continue the good increase in coal production that has taken place since the Taft-Hartley Act was invoked. We've had a good many nonunion members go back to work. There's been a minimum of violence around the country. And some union mines are back in operation, and the rate of coal production is increasing steadily.

At the same time, we are trying to help with the Rhodesian question and monitoring carefully the withdrawal, now complete, of the Somalis from the Ogaden area.

We are dealing in the House with the Humphrey-Hawkins bill. The vote is today. We're trying to hold our tax package together, prevent a reopening of the entire question of social security, and in the Senate, of course, we have the crucial vote on the Panama Canal treaties this afternoon. Debate is going on now, and I understand another Senator just endorsed the treaties, which is very encouraging to us.

These are some of the matters that are my responsibility just today, and I don't go into the minor ones. I've got to make a major speech on defense policy tomorrow morning at Wake Forest College in Winston-Salem, and that's what I've just been working on when I came in here. And I'm going to go out tomorrow morning and afternoon on one of our major nuclear aircraft carriers to see at first hand some of the new weapons systems that I have to decide about in preparation of the budget and in shaping our defense capabilities.

I'd like to answer any questions you might have, and I'll try to be rapid—and brief answers.

#### QUESTIONS

##### INTERNATIONAL ECONOMY

**Q.** Mr. President, I'm Bob Wicker from Dothan, Alabama. And I'm working in West Germany with Stars and Stripes. As you probably know, the value of the dollar, declining dollar, is of great value to our troops over there. I just wonder if you could shed any light on the impact this is going to have on NATO in the near future.

**THE PRESIDENT.** Well, I've been pleased in the last few weeks to see the dollar stabilizing as it relates to the deutsche mark. When I was overseas, it was down, hovering around two deutsche marks per dollar, and now I think it's up to 2.05, 2.06, 2.04, right in that neighborhood. So, we have been acting with the Germans and with the prospect of acting in an equivalent way with the Japanese to stabilize the irregularities in the market.

We have a strong reason to believe that this year we'll see an improvement in the dollar, in its value, related to other currencies. And I'll give you two or three very quick reasons.

One is that we don't anticipate our imports of oil to increase in 1978 as they did in 1977. That's one of the major reasons for our adverse trade balance.

Secondly, last year we had about a 3-percent higher growth rate than the average of all our major trading partners. This year, because the other economies are improving somewhat, that 3-percent difference is likely to narrow considerably. Obviously, when our economy is booming, compared to theirs, we have extra money that we can use to buy their goods; they can equivalently afford to buy our own goods.

Because of many factors, which I won't describe, to save time, interest rates in our country have now gone up, compared to interest rates abroad. Yesterday the equivalent to the prime rate in Japan was lowered again. This means that it's more attractive now for foreigners who have money to invest it in our country than it was last year.

I think we'll have an energy bill before too many weeks go by. We are making some progress already in the Senate. We have an agreement now. We're introducing this Senate agreement—the Senators are; I think Senator Jackson, in the lead, Senator Bumpers was helping him—today to the House, and I hope that will resolve the question.

I think a doubt and an uncertainty about what we are going to do on the energy question has been an adverse factor. And although the results of an energy package will be slow in being realized, they will be sure and steady and give some predictability about the future markets.

Temporary things hurt the dollar, too. The invasion of Lebanon by Israeli forces caused the market to be shaky yesterday. And the news reports that the kidnapping in Italy causes the dollar to be a little bit shaky.

So, these matters, as they are resolved, if and when they are resolved, that don't relate to any decision that I might make, have an adverse effect on the stability of the international markets.

We don't try to stop long-range trends, of course, in currency values. These are determined primarily by trade relationships. But we do intercede in an increasingly effective way and an increasingly aggressive way to compensate for disorderly movements in the market.

But I think the trends this year, based on these factors and a few others, show that the dollar is likely to strengthen during 1978.

#### SPACE PROGRAM

Q. Mr. President, my name's Ron Thornburg; I'm with Today newspaper in Brevard County, Florida. We're the home of Kennedy Space Center, so we're very interested in space policy. I have a doublebarreled sort of question for you.

Do you have any plans to put funding for the fifth space shuttle orbiter back into the budget? And secondly, what do you see as the role of the United States in space in the next 10 years?

THE PRESIDENT. No, at this time I don't intend to put the fifth space shuttle orbiter back in the budget. We have four that I have recommended to the Congress, and we believe this is completely adequate to take care of our needs for a long time in the future and also give us a standby vehicle if we need it. We will upgrade, however, the early models produced to make sure that they are fully operational in character. This was not in the original plan.

I think that our space program in the future, the next 10 years, will be stable, well planned, carefully considered. I think the space shuttle capability that we will have will greatly expand the customer

market for space services far beyond our own country. Other nations and private enterprises will now be using our space shuttle capability when they couldn't really use the very limited and tightly controlled space capability of independently launched missiles.

I don't need to go into detail about geodetic survey capabilities, geological survey capabilities, astronomical capabilities, weather monitoring, crop assessments to detect diseases in trees. Every time I have a foreign visitor, I give that person a 400-page summary of the kind of space data that we have available to them.

One of the things that we've just done recently, for instance, is put in a communications system for the first time in the Southwest Pacific. The United States took in new territory for the first time since 1912, this January, when we added one commonwealth and one protectorate to our resources, and we put up a space satellite capability for communications there.

So, I see a great possibility in meeting our human daily needs—research and development, astronomy, geology, geodetic surveys—that can keep these space shuttles busy.

#### CENTRAL UTAH PROJECT

Q. J. Heslop, *Deseret News*, Salt Lake City, Utah. We worry a lot about water in Utah. And our Central Utah project was on the famous hit list, then off, and now we get the impression that we may be starved to death by increased costs and lack of money. What do you see that can be done to help us in the completion of that project before we're priced out of business?

THE PRESIDENT. I haven't known about any changes lately. So far as I know, the Central Utah Project is approved and will be completed on schedule.

Q. Very minimum budget.

THE PRESIDENT. Well, the budget is evolved, as you know, over a long period of years, sometimes 10, 15, 20, 25, 30 years. And whatever the budget is required to complete a project once it's approved will be provided. The increase in the budget is necessary to compensate for inflationary factors, increased costs. And this is accommodated by my budget recommendations to Congress and by their action.

I might say that many of the projects that are not warranted began just with tiny apportionments of money, tens of thousands or hundreds of thousands of dollars, later growing into hundreds of millions of dollars in a project, once it gets a momentum of its own.

But we've reassessed several times, with a great deal of concern, the Central Utah Project, and the final determination by me, Secretary of Interior and the Corps of Engineers as advisers, has been that it's a worthy project, and so far as I know, it will be completed.

#### PANAMA CANAL TREATIES

Q. I am Phil Dessauer, *Tulsa World*. I'm interested in—would you tell us who the name of the last Senator you had on the Panama—

THE PRESIDENT. Paul Hatfield, I think, endorsed the treaty just a few minutes ago. He's the newly appointed Senator from Montana.

Q. How do you size up the prospects now?

THE PRESIDENT. I think the prospects are good, but extremely close. And these last few hours of debate, obviously, are crucial. This is a focusing of the amendments on which the Senators feel intensely. And I think there's going to be a very close vote. It is the most difficult political problem that I have ever faced. I think I would almost equate it with the difficulty of being elected President. *[Laughter]*



We started out a year ago, inheriting this important matter from my three predecessors. And at that time, obviously I had to decide whether it was a good treaty or not. I decided that it was a good treaty—two treaties. And we began the slow, laborious, difficult process of acquainting the American people with the facts—and obviously, the Members of the Congress. We've made good progress.

I think that the most recent poll results from all the known sources show that a plurality of Americans now favor the treaties with the leadership amendments on them.

I will be very glad when this vote's over. That is on the neutrality treaty that takes effect at the end of 1999. And then we'll have another major and difficult vote on the treaty to take place between now and the end of this century. So, I feel hopeful, but still somewhat in doubt.

Q. You have any conversations with Senator Bellmon?

THE PRESIDENT. I have had conversations with every Senator on the Hill. [Laughter] Senator Bellmon is a statesman—[laughter]—and I have confidence in his judgment.

#### URBAN POLICY

Q. I'm Sue Reisinger from the Dayton Daily News. We understand you're going to introduce your urban policy at the end of this month. We would appreciate you being as frank as possible about how much money and what kind of programs will be in that policy.

THE PRESIDENT. I don't know yet, you know, about the details. I met most of the afternoon yesterday with the Secretary of HUD and with my own advisers on domestic policy and also economics, to go over the general principles and policies and the strategies for the urban policy.

We want to have as much as possible authority and responsibility at the local

level of government and among non-governmental entities. We realize that in the broad scope of things a relatively small portion of any future budget within a city's boundaries will come from the Federal Government. The overwhelming portion of it has got to come from private enterprise, from local persons. Neighborhood groups, volunteers, local authorities, regional authorities, State authorities have got to play a major role. And that will be one of the thrusts.

Among the cities of our country, there's over a \$3 trillion investment just in buildings, factories, and homes, and we feel that they ought to be preserved.

We have now analyzed all the programs, about 160 programs, to measure their effectiveness in dealing with urban problems. And it was a very stringent analysis. We've also required for the first time our major heads of department, agency heads, to come together to share both criticisms and some hope for the future.

We'll probably phase out some programs. We are starting our analysis with the first of last year to put together a comprehensive approach to what the urban problems were when I took office. Some of the proposals have already been introduced to Congress. Some have actually been passed by Congress. A few have actually already been funded and now are being implemented. But it'll be very comprehensive, and I think it will result in a great improvement in dealing with urban problems.

But the exact additional budget above and beyond what we've already done has not yet been determined, but I will issue the urban policy analysis by the end of this month.

Also, we'll come out, I hope and expect, with a brochure that might be used as kind of a textbook or handbook for people who are interested, at all levels of

government, including from myself all the way down to the average homeowner, so that there can be a delineation of what programs are available, what responsibilities should be assumed by private citizens or by business leaders or by local, State, and Federal officials. And this, I think, will help also.

But it's a very good discipline for us. We've been working on it for literally months. And although I don't know the final details of it—if I did, I would really rather wait until the end of this month, but I don't yet. And I think you'll be pleased with it. I hope you will.

#### SOCIAL SECURITY PAYMENTS

**Q.** I'm Nancy Keil with the Daily Oklahoman. In Oklahoma, as almost everywhere, the sentiment about the social security program is getting pretty strong, now that the effects have been going in on paychecks. And I was wondering if you're doing any reassessment of the program that you've gotten through, now that there is some talk about retrenching on it.

**THE PRESIDENT.** Well, I think you know that none of the increases in social security payments that have taken place this year were a result of recent legislation. This is a built-in increase schedule that was passed years ago. The Congress, I think very courageously, acted under emergency circumstances in a mandatory way. Had the Congress not increased the contributions to the social security system, it would have gone bankrupt. A couple of the major funds would have been bankrupt by next year, 1979, so the Congress had to take that action.

We have proposed to the Congress a tax reform measure and a tax reduction measure consisting of about \$25 billion in net savings to the American taxpayer, and there'll be very few families in our country who would have a net increase

this year or next year, once the tax reductions go into effect. I advocated to the Congress some reduction in contributions from wage payments from the general fund, in case the inflation rate is more than 6 percent and other circumstances, to pay for the nonretirement type benefits—survivors benefits and death benefits.

The Congress did not do this, which added about \$30 billion in net additional cost to come from payroll deductions. I think this is something the Congress might go back and reassess. But my guess is that because of an extremely crowded calendar this year, that no substantial modification will take place in the present social security law.

#### GOVERNOR REUBIN ASKEW OF FLORIDA

**Q.** Mr. President, Walker Lundy from Tallahassee, Florida. Most people in Florida think Reubin Askew is going to come work for you after he finishes being Governor. What kind of job would you predict he might have?

**THE PRESIDENT.** I think Reubin Askew could fill any job in Washington, including the one I hold. *[Laughter]*

**Q.** He disagrees.

**THE PRESIDENT.** Well, I feel that way. Reubin has been very helpful to me already. We have added a dimension of competence, I think, to the appointment of diplomatic officials around the world because of the committee that Reubin has headed. Typically of him, he's done an extremely conscientious job, and every appointment that I've made to any diplomatic post—ambassadors and so forth—have been made after the screening process that Reubin has supervised.

I have asked Reubin before, I might say, to come to Washington and work with me, before I was inaugurated, at a Cabinet level. And I think he knows that my hope still stands that he might do this, to fill a vacancy that he and I could agree

upon. But he made it clear to me at the time that although he was honored by the invitation, that he had duties to perform in Florida. So, I have not discussed with him any specific thing. I don't know what opportunities would present themselves if and when he decided he might move. But he loves Florida, and he's dedicated to be a full-time Governor. And we've not discussed it since I offered him the Cabinet post, if he would take it.

But you can tell from my comments how much I think of him.

#### PUBLIC OPINION POLLS

Q. Mr. President, Curtis Sitomer, *Christian Science Monitor*, in Boston. The Gallup Poll today shows a 51 percent approval rating for you among the public. This is a slight increase, but is only about half of the electorate. Going into a midterm year, what will you do to improve your status with the American public and help your party in its congressional and local and State elections?

THE PRESIDENT. Of course, I was pleased to see the trend going up. [*Laughter*] It's quite a pleasant change. My own personal popularity is still quite high, around 70 percent or better. The measurement that Gallup and Harris and them use, of course, is how the American people assess my performance as President. And this has varying factors that go into the public's opinion.

One is how well the Congress and I can cooperate on very difficult questions, like energy legislation or tax reform or Government reorganization or the Panama Canal treaties. It also measures the effectiveness of my administration as it relates to dealings with the Soviet Union on SALT and the comprehensive test ban, on dealing with the problem in the Middle East, on trying to retain a semblance of peace around the world.

Of course, a lot of it is determined by just visceral human reactions to my own

personal activities and statements. So, I would guess that the measurement of my effectiveness as President by the public opinion polls would primarily be determined by whether or not I'm successful in bringing to a conclusion many of those problems that I outlined to you at the first of this meeting.

If we got a solution in the coal strike, that would be helpful for my personal opinion polls, although there's very little that I can do to require a coal strike resolution. And the Panama Canal treaty vote will have an impact, the energy package being passed would have an impact. We undertook a lot of very difficult and controversial subjects, tasks, when I became President. We have not yet had time to be successful in many of them, and I think that is the major factor.

All of us work hard, and we do the best we can. We make mistakes. But I think the public's been very gracious in their analysis of my administration. And I'm pleased with that upturn that came at a very good moment.

I told the Democratic fundraising group last night—a banquet that raised about a million dollars, the best one we've ever had—that some days I had a very hard time, and that one night, after having two or three Senators announce they were not going to vote for the Panama Canal, I went home, and I thought I would at least have to relax by getting in a warm tub bath. And my Ivory soap sank. [*Laughter*]

So, some days are good and some days are bad. The Gallup Poll has helped a little bit this morning.

#### TAXATION AT LOCAL LEVELS

Q. Jim Houck, *San Francisco Examiner*. The major political issue in California right now is a ballot initiative which would dramatically reduce the amount of revenue through the property tax avail-

able to local governments. I suspect this is an issue elsewhere in the country. Are there any Federal initiatives that are being considered in this area?

THE PRESIDENT. No, not to put a statutory limit on what a local government can do on taxation. I don't know of any Federal—obviously, as we increase Federal contributions in the field of transportation or health, environmental quality, education, that cuts down on the amount of contribution that local taxpayers have to pay.

When I was Governor of Georgia, I did have a responsibility in that field, and we cut property taxes substantially by giving refunds from the State government derived from sales tax and income tax. We have a pretty good income tax in Georgia, but there is no Federal movement to control the actions of local governments or directly to restrain how much property tax they can levy. I think that is a responsibility of the State governments.

U.S. ATTORNEY DAVID MARSTON; SELECTION OF U.S. ATTORNEYS AND JUDGES

Q. I'm Mike Renshaw, Mr. President, from the Courier Times in Bucks County, Pennsylvania. In retrospect, do you feel that the Marston affair could have been handled in a less inflammatory manner?

THE PRESIDENT. I think so. I have literally hundreds of appointments to make, and the Marston affair never came to my attention at all. I never heard of Marston until out in November.

This has become a very highly publicized issue. If I had known a year ago what I know now, I would have looked in personally to what the circumstances were, would have consulted very closely with the Attorney General, who probably had not much more knowledge of it than did I, and would have handled it more expeditiously and more openly and frankly.

This is an issue that I think has been distorted. You know, my commitment to the American people has been completely honored, that the appointments to the judiciary and to the Attorney General's office would be handled on the basis of merit. And in spite of dozens of appointments, we have never been accused of making an appointment that wasn't meritorious.

And in my debate with President Ford, I said that all things being equal, that I would appoint people to the Supreme Court and to lesser offices who were compatible with my own basic philosophy. I think the Attorney General has done the best he could with it.

We initiated as aggressively as possible, with the constraints placed on me by custom and tradition in the Senate, a merit selection of judges. And we've, for instance, got in every Federal judicial circuit now a merit selection board. And they give to me recommendations, three, four, five, six of the top quality, the best nominees that they can discern for each vacancy. And I've always chosen my appointments from those recommended.

On the district court judges, primarily limited to the bounds of one State, I've written all of the Democratic Senators a personal letter, my first few weeks in office, asking them to appoint a similar merit selection board. And I think 17 or 18 of them have already done that. So, we are moving as strongly as we can toward merit selection.

But the Marston case has been obviously a very serious problem for us, and I regret that it happened. And had I known a year ago what I know now, I think we could certainly have handled it better.

NOTE: The interview began at 1 p.m. in the Cabinet Room at the White House.

The transcript of the interview was released on March 17.

## Air Services Between the United States and the United Kingdom

*Statement by the President. March 17, 1978*

I am pleased to announce that we have been able to reach an agreement with the United Kingdom today which will make possible a wide range of low fares.

Budget and standby fares will be available on scheduled flights between the United Kingdom and 14 United States gateway cities. These cities are: Anchorage, Alaska; Atlanta, Ga.; Boston, Mass.; Chicago, Ill.; Dallas/Ft. Worth, Tex.; Detroit, Mich.; Houston, Tex.; Los Angeles, Calif.; Miami, Fla.; New York City, N.Y.; Philadelphia, Pa.; San Francisco, Calif.; Seattle, Wash.; and Washington/Baltimore.

This agreement also liberalizes charter rules and ensures charter rate freedom. All this will encourage air travel between the United States and the United Kingdom.

Taken together, these two agreements constitute a major step forward in implementing our key objective in international aviation—to provide the traveling public with a wide choice of low fares on scheduled flights.

The agreement also demonstrates once again that we can work out difficulties with our most important aviation partner to the mutual benefit of airlines and consumers in both the United States and the United Kingdom.

White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *March 11*

The President met at the White House with Zbigniew Brzezinski, Assistant to the President for National Security Affairs.

The President attended the 93d annual Gridiron dinner at the Capitol Hilton Hotel.

### *March 13*

The President met at the White House with:

- Dr. Brzezinski;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- the Cabinet;
- Representative Frank Thompson, Jr., of New Jersey;
- Vice President Walter F. Mondale;
- national officers and the executive committee of the National Association of Wheat Growers;
- Senator Richard S. Schweiker of Pennsylvania.

The visit of Prime Minister Menahem Begin of Israel to the United States has been postponed 1 week. The Prime Minister will meet with the President in Washington March 21–22.

### *March 14*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Senator John C. Stennis of Mississippi;
- James T. McIntyre, Jr., Acting Director of the Office of Management and Budget;
- Adm. Stansfield Turner, Director of Central Intelligence, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski.

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the

*March 15*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Senator Dennis DeConcini of Arizona;
- Boy of the Year Ray Owens, of Austin, Tex., and officers of the Boy's Clubs of America;
- John C. West, U.S. Ambassador to Saudi Arabia;
- Mrs. Carter, for lunch;
- a group of history professors from the University of Georgia;
- Secretary of Housing and Urban Development Patricia Roberts Harris and other Department officials to discuss urban policy;
- Secretary of State Cyrus R. Vance, Deputy Secretary of State Warren M. Christopher, and Mr. Jordan;
- Vice President Mondale, Secretary Vance, Dr. Brzezinski, and Mr. Jordan.

At the invitation of the President, Prime Minister James Callaghan of Great Britain will pay a 1-day working visit to the White House on March 23.

Prime Minister Morarji Desai of India has accepted the President's invitation to visit Washington June 13–14, in connection with the Prime Minister's appearance in New York before the 10th Special Session of the United Nations Devoted to Disarmament.

*March 16*

The President met at the White House with:

- Dr. Brzezinski;
- Senator Edward Zorinsky of Nebraska;

- Mr. Moore;
- Representative Norman Y. Mineta of California;
- Senators Abraham Ribicoff of Connecticut and John Glenn of Ohio;
- Senators Howard H. Baker, Jr., and James R. Sasser, and Representative Marilyn Lloyd, all of Tennessee;
- Maury Gladman, president of the International Kiwanis Club, and Representative Del Clawson of California;
- John G. Molloy, Irish Ambassador to the United States, who presented the traditional St. Patrick's Day gift of shamrocks;
- 1977 Nobel Peace Prize laureate Mairead Corrigan and Representative Don Edwards of California;
- Ambassador Andrew Young, U.S. Representative to the United Nations.

The President is sending Assistant Secretary of State for African Affairs Richard M. Moose as his special emissary to discussions on U.S.-Somali relations and the situation in the Horn of Africa, held in Mogadiscio, Somalia.

*March 17*

The President left the White House for a trip to North Carolina and Georgia.

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**NOMINATIONS SUBMITTED  
TO THE SENATE**

NOTE: No nominations were submitted to the Senate during the period covered by this issue.

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**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

*Administration of Jimmy Carter, 1978*

**CHECKLIST—Continued**

**Released March 13, 1978**

News conference: on the Japanese trade mission's visit to the United States—by Secretary of Commerce Juanita M. Kreps, Ambassador Robert S. Strauss, Special Representative for Trade Negotiations, and Yoshizo Ikeda, president of Mitsui & Co.

**Released March 17, 1978**

Advance text: address at Wake Forest University, Winston-Salem, N.C.

Joint press statement: on United States-United Kingdom air services—by the Department of State and the British Embassy

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved March 13, 1978**

S. 838----- Public Law 95-243  
An act to amend the Indian Claims Commission Act of August 3, 1946, and for other purposes.

**ACTS APPROVED—Continued**

**Approved March 14, 1978**

H.R. 9851----- Public Law 95-245  
An act to amend the Federal Aviation Act of 1958 to improve cargo air service.

S. 2076----- Public Law 95-244  
An act to authorize the Secretary of the Interior to make payments to appropriate school districts to assist in providing educational facilities and services for persons living within or near the Grand Canyon National Park on nontaxable Federal lands, and for other purposes.

**Approved March 15, 1978**

H.J. Res. 746----- Public Law 95-246  
A joint resolution making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration for the fiscal year ending September 30, 1978.

**Editor's Note**

***Note Concerning the Closing Time of This Issue***

The President left the White House on Friday morning, March 17, for a trip to North Carolina and Georgia. Releases issued on the trip will be printed next week.





# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, March 24, 1978

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## Winston-Salem, North Carolina

*Address at Wake Forest University.  
March 17, 1978*

As someone who comes from a great tobacco-producing State, it's an honor for me to be here in the capital of the greatest tobacco State in the world. What you do here means a lot to Georgia. And we have always found that the people in the Winston-Salem area and throughout North Carolina share with us common purposes, a common heritage, and a common future. You've always received me with open arms. You expressed your confidence in me during the campaign for President. And I'm indeed honored to come here to Wake Forest, to Winston-Salem, and to North Carolina, our neighbor State, to make a speech of major importance.

It's a pleasure to be with your great Senator, Bob Morgan, who cast a courageous vote yesterday, and who is extremely knowledgeable about the subject that I will talk about. He's on the Armed Forces Committee, as you know—the Armed Services Committee, responsible for our Nation's defense. He's on the special committee, a highly selective committee on our Nation's intelligence, and he has been one of the staunch protectors of

our Nation and is a great man and a great statesman. Bob, I'm very glad to be with you.

It's also good to renew my friendship with your great Governor, Jim Hunt. I first met him before he was Governor and before I was President. We formed an instant personal friendship, and his leadership of your State has brought credit to you and the admiration of the rest of the Nation.

And I'm particularly grateful to be here with Steve Neal. The first time I came here was to join with him in his campaign in 1974, when the prospects were not very bright. But because of the confidence in him, expressed by the people of the Fifth District, he was successful.

He's now assumed a leadership position in the Congress. He's a man, also, who believes in the strong defense of our country. His voting record proves this. In addition, he's on the Science and Technology Committee, which is responsible for advancing our purposes in the future. And he is honored by being the chairman of that portion of the Banking and Finance Committee responsible for international trade. This means a great deal to us, because the exporting of our products and the protection of our textile industry, our tobacco industry, our farm products,

is very crucial, and Steve has now worked himself up to a seniority position so he can be exceptionally effective, now and in the future.

I'd like to also acknowledge the presence of two members of my Cabinet, Secretary of Defense Harold Brown, and your own Juanita Kreps, Secretary of Commerce.

To Georgia and to North Carolina, the most important, perhaps, Member in the Congress is the chairman of the Senate Agriculture Committee. He takes care of tobacco farmers; he takes care of peanut farmers, important to both Georgia and North Carolina. And I'm very honored today to have with us my own United States Senator, Herman Talmadge.

I won't acknowledge the presence of every distinguished guest here today, but I would like to say that I'm pleased that several of North Carolina's great Members of Congress have chosen to come to honor me by their presence—Charlie Whitly, Richardson Preyer, Bill Hefner, Lamar Gudger. Would you stand up, please, gentlemen? Please stand up. Thank you very much.

Charlie, I believe that you and Bob Morgan are alumni of Wake Forest. Is that not correct? I know the Wake Forest people are glad to have you back.

Well, I'd like to say that this is a remarkably great honor for me. This is a great college, and it's a time in our Nation's history when we need to stop and assess our past, our present, and our future.

I've noticed the statistics in North Carolina that shows that under my own administration—because of your work, not mine—there's been remarkable economic progress.

In the State of North Carolina, the unemployment rate, for instance, last year, dropped 2.3 percent. You now have an extraordinarily low unemployment

rate of only 4½ percent. This shows not only that our Nation is strong but the North Carolina people want to work. And when they are given a chance, they do work. And I thank you for that.

A hundred and ninety-eight years ago, in the southern part of your State, 400 North Carolina militiamen took up arms in our own War of Independence. Against a force of 1,300 British soldiers, the North Carolinians prevailed, and their battle at Ramsour's Mill became a step on the road to victory at Yorktown 1 year later.

Your ancestors in North Carolina and mine in Georgia and their neighbors throughout the Thirteen Colonies earned our freedom in combat. That is a sacrifice which Americans have had to make time and time again in our Nation's history. We've learned that strength is the final protector of liberty.

This is a commitment and a sacrifice that I understand well, for the tradition of military service has been running deep for generations in my own family. My first ancestor to live in Georgia, James Carter, who moved there from North Carolina, fought in the Revolution. My father was a first lieutenant in World War I. My oldest son volunteered to go to Vietnam. And I spent 11 years of my life as a professional military officer in the United States Navy. This is typical of American families.

Down through the generations, the purposes of our Armed Forces have always been the same, no matter what generation it was: to defend our security when it's threatened and, through demonstrated strength, to reduce the chances that we will have to fight again.

These words of John Kennedy will still guide our actions, and I quote him, "The purpose of our arms is peace, not war—to make certain that they will never have to be used."

That purpose is unchanged. But the world has been changing, and our responses as a nation must change with it.

This morning I would like to talk to you about our national security—where we now stand, what new circumstances we face, and what we are going to do in the future.

Let me deal at the beginning with some myths. One myth is that this country somehow is pulling back from protecting its interests and its friends around the world. That is not the case, as will be explained in this speech and demonstrated in our actions as a nation.

Another myth is that our defense budget is too burdensome and consumes an undue part of our Federal revenues. National defense is, of course, a large and important item of expenditures, but it represents only about 5 percent of our gross national product and about a quarter of our current Federal budget.

It also is a mistake to believe that our country's defense spending is mainly for intercontinental missiles or nuclear weapons. Only about 10 percent of our defense budget goes for strategic forces or for nuclear deterrence. More than 50 percent is simply to pay for and support the services of the men and women in our Armed Forces.

Finally, some believe that because we do possess nuclear weapons of great destructive power, that we need do nothing more to guarantee our Nation's security. Unfortunately, it's not that simple.

Our potential adversaries have now built up massive forces armed with conventional weapons—tanks, aircraft, infantry, mechanized units. These forces could be used for political blackmail, and they could threaten our vital interests unless we and our allies and friends have our own military strength and conventional forces as a counterbalance.

Of course, our national security rests on more than just military power. It depends partly on the productive capacity of our factories and our farms, on an adequate supply of natural resources with which God has blessed us, on an economic system which values human freedom above centralized control, on the creative ideas of our best minds, on the hard work, cohesion, moral strength, and determination of the American people, and on the friendship of our neighbors to the north and south.

Our security depends on strong bonds with our allies and on whether other nations seek to live in peace and refrain from trying to dominate those who live around them.

But adequate and capable military forces are still an essential element of our national security. We, like our ancestors, have the obligation to maintain strength equal to the challenges of the world in which we live, and we Americans will continue to do so.

Let us review briefly how national security issues have changed over the past decade or two.

The world has grown both more complex and more interdependent. There is now a division among the Communist powers. The old colonial empires have fallen, and many new nations have risen in their place. Old ideological labels have lost some of their meaning.

There have also been changes in the military balance among nations. Over the past 20 years, the military forces of the Soviets have grown substantially, both in absolute numbers and relative to our own. There also has been an ominous inclination on the part of the Soviet Union to use its military power—to intervene in local conflicts, with advisers, with equipment, and with full logistical support and encouragement for mercenaries from

other Communist countries, as we can observe today in Africa.

This increase in Soviet military power has been going on for a long time. Discounting inflation, since 1960 Soviet military spending has doubled, rising steadily in real terms by 3 or 4 percent a year, while our own military budget is actually lower now than it was in 1960.

The Soviets, who traditionally were not a significant naval power, now rank number two in world naval forces.

In its balanced strategic nuclear capability, the United States retains important advantages. But over the past decade, the steady Soviet buildup has achieved functional equivalence in strategic forces with the United States.

These changes demand that we maintain adequate responses—diplomatic, military, and economic—and we will.

As President and as Commander in Chief, I am responsible, along with the Congress, for modernizing, expanding, and improving our Armed Forces whenever our security requires it. We've recently completed a major reassessment of our national defense strategy. And out of this process have come some overall principles designed to preserve our national security during the years ahead.

We will match, together with our allies and friends, any threatening power through a combination of military forces, political efforts, and economic programs. We will not allow any other nation to gain military superiority over us.

We shall seek the cooperation of the Soviet Union and other nations in reducing areas of tension. We do not desire to intervene militarily in the internal domestic affairs of other countries, nor to aggravate regional conflicts. And we shall oppose intervention by others.

While assuring our own military capabilities, we shall seek security through

dependable, verifiable arms control agreements wherever possible.

We shall use our great economic, technological, and diplomatic advantages to defend our interests and to promote American values. We are prepared, for instance, to cooperate with the Soviet Union toward common social, scientific, and economic goals. But if they fail to demonstrate restraint in missile programs and other force levels or in the projection of Soviet or proxy forces into other lands and continents, then popular support in the United States for such cooperation with the Soviets will certainly erode.

These principles mean that, even as we search for agreement in arms control, we will continue to modernize our strategic systems and to revitalize our conventional forces. And I have no doubt that the Congress shares my commitment in this respect.

We shall implement this policy that I've outlined so briefly in three different ways: by maintaining strategic nuclear balance; by working closely with our NATO allies to strengthen and modernize our defenses in Europe; and by maintaining and developing forces to counter any threats to our allies and friends in our vital interests in Asia, the Middle East, and other regions of the world.

Let me take up each of these three in turn.

Our first and most fundamental concern is to prevent nuclear war. The horrors of nuclear conflict and our desire to reduce the world's arsenals of fearsome nuclear weapons do not free us from the need to analyze the situation objectively and to make sensible choices about our purposes and means.

Our strategic forces must be—and must be known to be—a match for the capabilities of the Soviets. They will never be able to use their nuclear forces to

threaten, to coerce, or to blackmail us or our friends.

Our continuing major effort in the SALT talks taking place every day in Geneva are one means toward a goal of strategic nuclear stability.

We and the Soviets have already reached agreement on some basic points, although still others remain to be resolved. We are making good progress. We are not looking for a one-sided advantage. But before I sign any SALT agreement on behalf of the United States, I will make sure that it preserves the strategic balance, that we can independently verify Soviet compliance, and that we will be at least as strong, relative to the Soviet Union, as we would be without any agreement.

But in addition to the limits and reductions of a SALT II agreement, we must make other steps to protect the strategic balance. During the next decade, improvements in Soviet missiles can make our land-based missile forces in silos increasingly vulnerable to a Soviet first strike. Such an attack would amount to national suicide for the Soviet Union. But however remote, it is a threat against which we must constantly be on guard.

We have a superb submarine fleet, which is relatively invulnerable to attack when it's at sea, and we have under construction new Trident submarines and missiles which give our submarine ballistic missile force even greater range and security.

I have ordered rapid development and deployment of cruise missiles to reinforce the strategic value of our bombers. We are working on the M-X intercontinental ballistic missile and a Trident II submarine-launched ballistic missile to give us more options to respond to Soviet strategic deployments. If it becomes necessary to guarantee the clear invulnerability of our strategic deterrent, I shall

not hesitate to take actions for full-scale deployment and development of these systems.

Our strategic defense forces, our nuclear forces, are a triad—land-based missiles, sea-based missiles, and air-breathing missiles, such as bombers and cruise missiles. Through the plans I've described, all three legs of this triad will be modernized and improved. Each will retain the ability, on its own, to impose devastating retaliation upon an aggressor.

For 30 years and more we've been committed to the defense of Europe, bound by the knowledge that Western Europe's security is vital to our own. We continue to cooperate with our NATO Allies in a strategy for flexible response, combining conventional forces and nuclear forces so that no aggressor can threaten the territory of Europe or its freedom, which in the past we have fought together to defend.

For several years we and our allies have been trying to negotiate mutual and balanced reduction in military forces in Europe with the Soviets and with the Warsaw Pact nations who are their allies. But in the meantime, the Soviets have continued to increase and to modernize their forces beyond a level necessary for defense. In the face of this excessive Soviet buildup, we and our NATO Allies have had to take important steps to cope with short-term vulnerabilities and to respond to long-term threats. We are significantly strengthening U.S. forces stationed in Western Europe and improving our ability to speed additional ground and air forces to the defense of Europe in a time of crisis.

Our European allies, who supply the major portion of NATO's conventional combat strength, are also improving their readiness and their reinforcement capabilities and their antitank defenses. The heads of the NATO governments will be

here in our country attending a summit meeting in May, where we will address our long-term defense program which will expand and integrate more closely allied defense plans.

For many years, the United States has been a major world power. Our long-standing concerns encompass our own security interests and those of our allies and friends far beyond our own shores and Europe.

We have important historical responsibilities to enhance peace in East Asia, in the Middle East, in the Persian Gulf, and throughout our own hemisphere. Our preference in all these areas is to turn first to international agreements that reduce the overall level of arms and minimize the threat of conflict. But we have the will, and we will also maintain the capacity, to honor our commitments and to protect our interests in those critical areas.

In the Pacific, our effective security is enhanced by mutual defense treaties with our allies and by our friendship and co-operation with other Pacific nations.

Japan and South Korea, closely linked with the United States, are located geographically where vital interests of great powers converge. It is imperative that Northeast Asia remain stable. We will maintain and even enhance our military strength in this area, improving our air strength and reducing our ground forces, as the South Korean army continues to modernize and to increase its own capabilities.

In the Middle East and the region of the Indian Ocean, we seek permanent peace and stability. The economic health and well-being of the United States, Western Europe, Japan, depend upon continued access to the oil from the Persian Gulf area.

In all these situations, the primary responsibility for preserving peace and military stability rests with the countries of the region. But we shall continue to work with our friends and allies to strengthen their ability to prevent threats to their interests and to ours.

In addition, however, we will maintain forces of our own which can be called upon, if necessary, to support mutual defense efforts. The Secretary of Defense, at my direction, is improving and will maintain quickly deployable forces—air, land, and sea—to defend our interests throughout the world.

Arms control agreements are a major goal as instruments of our national security, but this will be possible only if we maintain appropriate military force levels. Reaching balanced, verifiable agreements with our adversaries can limit the cost of security and reduce the risk of war. But even then, we must—and we will—proceed efficiently with whatever arms programs our own security requires.

When I leave this auditorium, I shall be going to visit with the crew aboard one of our most modern nuclear-powered aircraft carriers in the Atlantic Ocean. The men and women of our Armed Forces remain committed, as able professionals and as patriotic Americans, to our common defense. They must stand constantly ready to fight, in the hope that through strength, combat will be prevented. We as Americans will always support them in their courageous vigil.

This has been a serious and a sober talk, but there is no cause for pessimism. We face a challenge, and we will do whatever is necessary to meet it. We will preserve and protect our country and continue to promote and to maintain peace around the world. This means that we

shall have to continue to support strong and efficient military forces.

For most of human history, people have wished vainly that freedom and the flowering of the human spirit, which freedom nourishes, did not finally have to depend upon the force of arms. We, like our forebears, live in a time when those who would destroy liberty are restrained less by their respect for freedom itself than by their knowledge that those of us who cherish freedom are strong.

We are a great nation made up of talented people. We can readily afford the necessary costs of our military forces, as well as an increased level, if needed, to prevent any adversary from destabilizing the peace of the world. The money we spend on defense is not wasted any more than is the cost of maintaining a police force in a local community to keep the peace. This investment purchases our freedom to fulfill the worthy goals of our Nation.

Southerners, whose ancestors a hundred years ago knew the horrors of a homeland devastated by war, are particularly determined that war shall never come to us again. All Americans understand the basic lesson of history: that we need to be resolute and able to protect ourselves, to prevent threats and domination by others.

No matter how peaceful and secure and easy the circumstances of our lives now seem, we have no guarantee that the blessings will endure. That is why we will always maintain the strength which, God willing, we shall never need to use.

Thank you very much.

NOTE: The President spoke at 9 a.m. in Wait Chapel at the university.

Following his remarks, the President attended a reception for Representative Neal in the chapel building.

## Winston-Salem, North Carolina

*Informal Question-and-Answer Session With Reporters. March 17, 1978*

THE PRESIDENT. I've just got a few minutes, and I thought I'd take a few questions from the local press.

### VACANCY ON CIRCUIT COURT OF APPEALS

REPORTER. Mr. President, there has been a vacancy here on the circuit court of appeals for more than 10 months. I understand your nominating committee gave you five recommendations sometime in the fall. Have you made your decision? And if not, when will you?

THE PRESIDENT. I don't know yet. That's something that I have not yet discussed in final form with the Attorney General. In all the circuit court appointments, however, in every place in the United States now, we have merit selection committees set up. And they give me the five names of the people that in their judgment—these are very distinguished people, as you know—would make the best circuit court judge. And from that list I will choose one of the nominees.

I've not yet had a chance to discuss this with the Attorney General. Before I can make a selection, we have to go through a long, detailed analysis of the person's financial background, have an FBI check, compare the candidates. It will not be delayed, but I can't give you an answer yet.

### TAFT-HARTLEY ACT

Q. Mr. President, now that it is apparent that the Taft-Hartley Act isn't working, what are your options?

THE PRESIDENT. Well, the Taft-Hartley Act is working. There's nothing in the Taft-Hartley Act that compels an individual miner to go into a mine and

produce coal. But we have seen a rapid increase in coal production in recent days. We have no interruptions now with the nonunion miners producing coal. They were interrupted before.

We have an increase every day in the number of union miners who are going back into the mines. There's been no disruption recently, since the Taft-Hartley injunction, in the transfer of coal from one place to another when it is needed. And we are continuing to produce a substantial amount of coal additionally each day.

So, although the miners have not yet gone back to work, the Taft-Hartley Act is working. It's also brought to the bargaining table, without Federal mediators, which is good, the representatives of the operators and the miners. And they'd now worked out a third contract, which we hope will be accepted. So the Taft-Hartley Act is working.

#### ENHANCED RADIATION WEAPON

**Q.** Mr. President, you talked inside about maintaining a nuclear balance with the Soviet Union, and you talked a little bit about the SALT II negotiations going on. How does the Soviet demand that we stop production of neutron bombs fit into your wanting to maintain a balance?

**THE PRESIDENT.** The neutron bomb is not a strategic weapon; it's a tactical weapon. And it will not change at all the relative balance of strategic nuclear power.

The Soviets have used the neutron bomb issue primarily as a propaganda item. They are producing new weapons, like the SS-20, for instance, which has many, many more times the destructive power than any neutron bomb that's even being contemplated and does indeed disturb the balance of tactical forces between Eastern and Western Europe.

So, the neutron bomb issue has nothing to do with SALT and does not change the nuclear balance at all.

#### ANTI-SMOKING CAMPAIGN

**Q.** You spoke favorably of North Carolina as a tobacco-producing State. Does this mean you're calling Joseph Califano off the anti-smoking campaign?

**THE PRESIDENT.** No. Joe Califano has a responsibility, as the Secretary of HEW, to protect and enhance the health of American people. His responsibilities, as you know, are extremely broad. He is heading up a major effort, for instance, to reduce the adverse effect of drugs. Some drugs are very beneficial; some are very detrimental. I think we have a \$275 million budget for the control of the adverse effects of drugs on the American health.

Alcohol is another major threat to American health. It's beneficial in some instances. It's well used—and legal—by many millions of Americans. We have a \$175 million budget to reduce the adverse effects of alcohol.

Tobacco, in some instances, is damaging to our Nation's health, particularly among very young children and those who have respiratory diseases. We have only a \$30 million budget on tobacco in HEW. This is all that Joe Califano asked for, and I think that's what he'll get. Two-thirds of that budget goes for research. And I don't think anyone who lives in Winston-Salem or North Carolina or Georgia or other States that produce tobacco would say that the research program in recent years has not been beneficial. So this is a well-balanced program.

I might say that it has nothing to do at all with the maintenance of the standard of living or the income or protection of the 600,000 American families who produce tobacco. Tobacco is Georgia's



number one export item, and we ship most of our tobacco up to places like Winston-Salem to be produced into smoking products and other uses of tobacco.

So, I would say that there's a well-balanced campaign to protect the health of our Nation, which is Joe Califano's direct responsibility, on the one hand, and to preserve the health and stability of the tobacco industry, which is under Bob Bergland, Secretary of Agriculture, and myself.

I don't think there needs to be any concern about that, and nobody need fear the facts about tobacco use. Certainly, no one need fear the emphasis on research that will make the use of tobacco in the future even more safe than it has been in the past.

WILMINGTON 10

Q. Will the White House get involved with the Wilmington 10 case, intervene at all?

THE PRESIDENT. Not as far as I know. This is a State case, as you know. The only circumstances under which the Federal Government would get involved would be through the court system, if there was an appeal made to the Federal courts.

DESEGREGATION OF SOUTHERN  
UNIVERSITIES

Q. Will you get involved in the desegregation issue?

THE PRESIDENT. Well, the desegregation issue applies to many Southern States—at the university level, I presume you mean.

Q. Yes.

THE PRESIDENT. When I became President and brought in my Cabinet, we were faced with a lawsuit—I think the man's name is Judge Pratt, in Washington—that required me and the Secretary

of HEW to bring about a resolution of a dispute in the university system of some Southern States concerning the percentage of black students who go to school in white university component portions, and also vice versa. We've already reached agreement with Oklahoma, with Georgia, and with Arkansas, South Carolina, Florida. We are now working in the last stages of the resolution of the question with Virginia. This leaves North Carolina.

And Bill Friday and Governor Hunt and Bob Morgan and others, Steve,<sup>1</sup> have been to see me about this. We are trying to negotiate in good faith with the North Carolina university officials. And we have to comply with the Federal court orders, and we have to ensure that there are no remnants of discrimination against black people.

I think this is a commitment that I share with North Carolina people. How to go about resolving the differences in the court is something that is being negotiated in good faith.

When I came in from the airport this morning with your Governor, Jim Hunt, he expressed his conviction to me that this issue would be resolved very soon in the future. There's no incompatibility there. It's a lingering thing that has been going on in the courts for many years, and we hope to have it cleared up within the next few weeks.

Q. Do you think you'll grant an extension on the Monday deadline?

THE PRESIDENT. I don't know anything about the legal aspects of it. I couldn't answer that.

Q. Califano's deadline is for Monday, though.

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<sup>1</sup> Dr. William C. Friday, president, Sixteen Consolidated Universities of North Carolina, and Senator Robert Morgan and Representative Stephen L. Neal, both of North Carolina.

THE PRESIDENT. I can't answer that question. I don't know the answer.

Q. One more question. Have you discussed the subject with Secretary Califano since your meeting with Governor Hunt and Senator Morgan 2 weeks ago?

THE PRESIDENT. Yes, we had a discussion about this Monday morning at the Cabinet meeting.

REPORTER. Thank you.

THE PRESIDENT. Thank you very much. I wish I could stay longer, but I've got to go out and see how airplanes work on carriers.

NOTE: The question-and-answer session began at 9:50 a.m. outside Wait Chapel at Wake Forest University.

## Savannah, Georgia

*Remarks During a Visit Aboard the U.S.S. Dwight D. Eisenhower. March 17, 1978*

In 1942, before many of you were born, I entered the Navy as an ROTC student at Georgia Tech. Later I went to the U.S. Naval Academy, and I was graduated in 1946 in the Class of 1947. And I then went to the U.S.S. *Mississippi* and the U.S.S. *Wyoming*, an old battleship that was doing modern experimental work.

Later I went into submarines and served on the U.S.S. *Pomfret*, later the U.S.S. *K-1*. And I was the commanding officer of the precommissioning crew of the U.S.S. *Seawolf*, the second atomic submarine that was ever built. Then I resigned from the Navy, and a number of years later I got a slight promotion to my new job. [Laughter]

But I'm still one of you. As President of the United States and as Commander in Chief, I've had a chance today to be reassured that our Nation is strong, that that strength is being used to preserve peace around the world, and that the

destiny of our country rests on the shoulders of strong men like yourselves, who exemplify superb service and courage in one of the great ships of the greatest navy in the greatest country on Earth.

You can be truly proud of what you are doing. I know that for many of you this is your first tour at sea, and you serve on one of the newest and the best ships in the world. I've had a chance today to see how the ship operates, to study it before I came out this morning from an air base in Savannah. I've seen your nuclear reactor areas and the machinery areas, the flight deck operation. I've been on the bridge. I've seen your great crew maintain the U.S.S. *Eisenhower* and operate it in a means that would make the Navy proud had you been training for these specific duties for years and years, or even a whole career.

It's extremely important that the *Eisenhower*, as a major fighting component of our Nation's defense, be constantly ready for that purpose. We hope and we pray that the tremendous nuclear power and tactical power of our country won't have to be used in combat during our lifetime. And the best way to ensure that this is the case, that we do maintain peace for our own country, for our allies, for our friends, is to be strong. And as long as I'm Commander in Chief and President, I'll do the best I can to keep our country strong.

There is an inherent partnership between civilian leadership—myself, the Secretary of Defense, who's here, the Secretary of the Navy, who's here, Dr. Brzezinski, the head of my National Security Council, who is here—on the one hand, along with the Congress, and you, the fighting men of our Armed Forces.

There's also a close partnership that's required and certainly has been exhibited today between the ship's crew and the air combat fighters who have exhibited their

superb capabilities to me and to you today.

We also have seen the supporting ships, and I know that you see the importance to a carrier operation to have that close teamwork. The Nation depends on you, and I'm proud to be the Commander in Chief of a group of men as well-qualified, as deeply dedicated, as patriotic and courageous as all of you.

On behalf of the people of the United States, I would like to thank you for what you do for our country and for freedom and peace around the world.

God bless every one of you. I'm proud of you.

NOTE: The President spoke at 4:30 p.m. to crewmembers assembled on Hanger Deck No. 2 of the aircraft carrier.

## Labor Disputes in the Coal Industry

***Statement Issued Following a District Court Denial To Extend the Temporary Restraining Order. March 17, 1978***

The court decision shows that the country has responded well in dealing with the effects of the coal strike. We have had some success in moving coal, and the Taft-Hartley temporary restraining order has aided in opening up hundreds of coal mines.

The judge has found that as of now a national emergency no longer exists. Another hearing will be held on March 28.

I continue to hope that the collective bargaining process will be successful and bring about an end to the strike. We will be monitoring coal shipments closely and will be prepared to seek a permanent injunction at the March 28 hearing if a negotiated settlement has not been reached by that time.

NOTE: The statement was released at Savannah, Ga.

## Savannah, Georgia

***Remarks at the Hibernian Society Dinner. March 17, 1978***

*President Gignilliat, Senator Talmadge, Senator Nunn, Congressman Bo Ginn, Mayor Rousakis, and fellow Irishmen:*

As many of you know, this is one of the few times in the last 10 years that I have missed a St. Patrick's Day Parade in Savannah, and it was a sad day for me because of that reason. But the memories of past St. Patrick's Days in Savannah have left an indelible impression on my mind and on my heart. I remember how difficult it was for me to get an invitation to the Hibernian Society banquet. [Laughter]

I remember the first year that I was running for Governor of Georgia with a great number of well-known and distinguished opponents. Toby Buttimer was in a car pretty much at the end of the line in the parade. He asked me to ride with him. And when I approached the starting point of the parade, a very irate minor official among the parade marshals came forward and said, "Young man, what right do you have to ride in the parade?" It's something that I'll never forget. His name was Nick Kenny. [Laughter] And I sincerely hope as President that you've not let him have anything to do with the parade since then. [Laughter]

There's only one city in Georgia about which I've ever made this statement: Savannah's my favorite city of all, because you present to Georgia and to the rest of the world a unique and very fine combination of pride in the past—preserving what's right and decent and enjoyable and harmonious and inspirational—with no fear of the future and making the most of the present. And I'm very proud that you've invited me as President of the United States to come back and share this honor with you.

I've been honored in many ways in the last number of months. One of the greatest honors that I've had has been to work very closely with the distinguished leaders of the Congress. And I would like to recognize in particular the superb courage and leadership and inspiration that has been provided to our own State and to the country by Senator Talmadge and Senator Nunn, on the platform with me tonight.

I also feel particularly close to Toby Buttner. As you know, if I had as many sons and grandchildren as Toby Buttner, I would have been President 4 years earlier than I was. *[Laughter]* But in a way, in addition to his great family—I have two grandsons of my own—there are some other things that bind me together with Toby. As you know, he's a wholesale beer distributor. And my brother, Billy, is a wholesale beer consumer. *[Laughter]*

I hope that you won't mention to Billy my comment about him, because when I first was elected President, I made some humorous remark about Billy one night at a banquet, and the next day the national news media representatives went to Billy's filling station and said, "What do you think about your brother?" And he said, "Well, I'd rather not comment." And they said, "Well, I'm not talking about his character or his ability as a campaigner or a President, just some minor characteristic of his." And Billy said, "Well, I'd just rather not comment on my brother Jimmy." They said, "What do you think about Jimmy's smile?" And Billy thought for a while, and he said, "Well, it reminds me of a fox, intoxicated, licking sorghum syrup out of a live light socket." *[Laughter]*

So, I would appreciate you keeping harmony between me and my brother. *[Laughter]*

Another thing I like about the Irish, and the Hibernian members particularly, is that you are perfectly willing to go from the sublime to the ridiculous. Last year Bishop Fulton Sheen was your main speaker. This year, as the first choice—I was second choice—you invited Hamilton Jordan. I thought the same thing about sublime to the ridiculous the first time I observed that you began your festivities at the beautiful cathedral with Mass and wound up here, at night, with just the opposite. *[Laughter]*

Hamilton, really, and all of us have suffered some from the news coverage. As you know, in Washington we haven't been the favorites there. Jody Powell, Griffin Bell, Bert Lance, myself, Jack Watson, Andy Young, and other Georgians have not come out completely unscathed. And sometimes we can't understand it.

I remember a couple of weeks ago I felt very sorry for Hamilton at the latest episode. I didn't want to complain to him personally, because I knew he was already embarrassed. He came by to see me, and I was a little surprised. He said, "Mr. President, I want to talk to you for a few minutes. I don't understand Washington." And he said, "I get my name spread all across the Washington Post in headlines for doing the same thing we used to do every night in Savannah." *[Laughter]*

So in some ways, you've been good training for us. One of the news people observed, as I was leaving Washington to get in the helicopter to come to the airport to come down here, said, "Mr. President, I think you've contributed more to St. Patrick's Day than any other President that's ever lived." And I said, "I really appreciate that." He said, "Yes, your whole administration is green." *[Laughter]*

At least they're learning how to speak southern in Washington. That's good. *[Laughter]*

As all of you know, my family has great credentials as Irishmen. We came here as a result of the great peanut famine. [Laughter] I've always felt very close to the rest of you who came here accordingly.

I have been surprised at some of the characteristics of the President. I thought that when I got elected to the highest office in the land that there would be some special characteristics about it. I haven't found that to be true.

Yesterday morning, the Ambassador from Ireland came to tell me that they had just flown in from Ireland some shamrock especially for me to wear on St. Patrick's Day. And I put it on. I've only worn it 2 days, and even pinned to the lapel of the President, it wilted. [Laughter]

This has not been the only time I've been disappointed. I have been dealing lately, as you know, with a very difficult subject, the Panama Canal treaties. It's not been one of the most popular subjects that I've endorsed. And I called a couple of months ago a kind of a staff meeting and said, "What can I do to boost my spirits about this difficult but very important subject?" And my staff said, "Why don't we have a mass meeting at the White House?" So I called a mass meeting. Both of us were glad the other one came. [Laughter]

It was one of the worst days I ever had. I went home that night. The only way I could relax the tension that I felt as President was to take a warm bath in the tub. I got in the tub; my Ivory soap sank. [Laughter]

As Senator Talmadge well knows, we've also been afflicted in Washington with farmer strike members, who came to express their displeasure with crop yields and weather and farm prices. Last night I was writing some notes about my serious part of my speech to be made to you. And when I went to sleep, I had a nightmare.

I just thought to myself, what if all the Irishmen in Savannah rode on tractors? [Laughter] I can see Savannah after a St. Patrick's Day parade under those circumstances. The highest building in town would be 2 feet high.

We've tried, as you know, to do the best we could with some very difficult subjects. I have been pleased on occasion. We've had a coal contract every week. That's boosted my spirits some. [Laughter]

But one of the main things that has boosted my spirits has been the knowledge that many of you who helped me become President still have confidence in me and my administration, give me your support, and I hope you'll continue to do so.

We've not been afraid to address difficult questions. When I became President a little more than a year ago, out of every hundred persons who were looking for a job, eight couldn't find work. And with the help of the Congress during this last year, 1977, we had a net increase in jobs in the United States of more than 4 million. We've never had that much increase before. The unemployment rate has dropped 2 percent. And it shows that if American people have a chance to work, they'd rather work.

We've also begun, as Sam Nunn said, to address the urban problems. My wife met tonight, as I have met before, with some of the leaders in Savannah who initiated on their own—private citizens, black and white, rich and not so rich—an effort, 15 or so years ago, to rejuvenate what is inherently one of the most beautiful cities on Earth, that was in danger of being embarrassed with the deterioration of your own downtown area. And since then, you've set an example for the whole Nation to emulate, and in our new urban policy, we are using Savannah as an example of what people can do if they're willing to take advantage of what God gives them.

We're a nation of people who believe in peace. We like to get along with our neighbors. We want to protect our women and children and our future generations from the threat of nuclear war, and so far we've been successful—one of the first times in modern history that in the first year or 18 months of a new administration we haven't had American soldiers dying somewhere on Earth.

But if God gives me strength and judgment, I pray, joined by you, that we can preserve and enhance peace around the world—not based on weakness, but based on strength.

Today I made a speech in Winston-Salem, North Carolina, Wake Forest University, about national security and then came out this afternoon, flew from Savannah by helicopter to land on the greatest warship in the world, a brand new atomic-powered aircraft carrier, 95,000 tons, the U.S.S. *Eisenhower*, operating off your coast. And I saw there a superb crew, young crew—the average age, 19½ years old.

More than half of the crew, before the *Eisenhower* was commissioned last fall, had never been on a ship. And we watched the most complicated, challenging military exercises that I have ever seen, and they went off with absolute perfection. And as the President of our country, as Commander in Chief, I realized even more intently that the best way to peace is to be strong. And as long as I'm President, our country's going to stay strong.

The South has known better than any other part of our great Nation what it means to be devastated and occupied as a result of war. And we are determined to maintain the leadership that's been shown by Senator Talmadge, by Bo Ginn, by Sam Nunn, who's taken the place in every way of the great Senator Dick Russell,

that our country will have armed forces adequate to protect our country.

Another thing I learned when I was campaigning around our Nation was that as a result of the Vietnam war, as a result of Watergate, as a result of mistakes made and revealed in the CIA, that there had been a loss of spirit and confidence, there had been a loss of respect and a sense of partnership between the American people and our government. And I felt that something needed to be done, not only to correct those mistakes and to deal in such a way that those would not be repeated but to hoist a banner that would make our people proud to follow.

And I searched back in the early days of Savannah, Georgia, and the rest of the Thirteen Colonies and tried to understand what our people stood for who wrote the Declaration of Independence and who wrote the Constitution of the United States. And I knew then and I know now that our country always has to be the well-recognized leader and bulwark in protecting basic human dignity, basic human liberty, basic self-respect, known by the words "human rights." And they will be protected also as long as I'm in Washington and you give me your support.

I had a lot of criticism by some of the cynics in Washington and the national news media about saying that I wanted a government that was as good and decent and honest and truthful as the American people. But I sense among our people a hunger for that kind of knowledge that you need not ever be ashamed again, recognizing that government is not infallible, that we do make mistakes, recognizing that the Federal Government cannot and ought not to do everything to shape and control our lives, understanding that the Federal Government ought to be simple, well-organized.

Let us alone to manage the things that we can manage individually, in a family, in a neighborhood, in a city, in a State, but at the same time setting an example and lending a helping hand with taxpayers' dollars in an efficient way.

We're trying now with the Congress help to reorganize the basic structure of our Government to make sure not only that people outside Government have a chance to work but that people in Government have a chance to do a good job and are required to do a good job, because most of them want to. And I hope you'll help me with Government reorganization, civil service reform, welfare reform, tax reform, a cutting down of paperwork and redtape, to make your Government simple and workable so you can understand and control it.

I'd just like to say one more thing. The problems that face any President of this country are extremely complicated, they are difficult, and they are a great personal burden when you share the responsibility for the lives of more than 200 million Americans. But I've enjoyed this responsibility, because I have a sense that there is a partnership between me and people like you all over the world.

I don't know all the answers. But I believe that I will be right in my judgment, I will be fair and enlightened in my decisions. I will be inspired on occasion to restore and even to enhance the greatness of our country to the extent that I stay close to people who are interested, as are you, in the finest aspects of government in the greatest nation on Earth.

We have unresolved problems. We need a national energy policy. We need a comprehensive Government reform. We need to have a settlement of the major labor disputes like the coal strike. We need to have a SALT agreement with the Soviet Union to cut down on the threat of nuclear holocaust that might destroy

us all. We need to have a ban against the testing of atomic explosives, in our country, the Soviet nation, Britain, France, and China. We need to have a prohibition against the testing or the evolution of explosives among the many nations on Earth that don't presently belong to the nuclear club. And we need to have again a government that's close to you.

There are many questions that need to be resolved that might take a long time. But I believe that it's best not to ignore them any longer. I'll do the best I can not to disappoint you.

Many of you are responsible for my being in the White House. And you have a responsibility to assure and to help me do a good job. And I hope you'll never let me down. I'll never let you down. And we, together, will assure that we will represent the United States of America, the greatest nation on Earth.

Thank you very much.

NOTE: The President spoke at 9:10 p.m. at the Savannah Civic Center. In the opening portion of his remarks, he referred to Thomas Gignilliat, president of the society, John P. Rousakis, mayor of Savannah, and Toby Buttmer, chairman of the society's speakers committee.

Earlier in the evening, the President visited a reception for former campaign workers from the Savannah area at the DeSoto Hilton Hotel.

## Golda Meir

*Letter to the Former Israeli Prime Minister.  
March 20, 1978*

*Dear Mrs. Meir:*

I was alarmed to learn today of your illness and relieved to hear that you are resting comfortably. Your strength, courage, and humanity have been an inspiration to our people and we look upon you with deep affection and admiration.

Mar. 20

*Administration of Jimmy Carter, 1978*

Rosalynn joins me in sending our very best wishes for a swift and complete recovery.

Sincerely,

JIMMY CARTER

NOTE: The text of the letter was released at St. Simons Island, Ga.

## Visit of Prime Minister Menahem Begin of Israel

*Remarks at the Welcoming Ceremony,  
March 21, 1978*

THE PRESIDENT. It's with great pleasure that I, on behalf of the people of the United States, welcome to our country again Prime Minister Begin of the great and courageous state of Israel.

Our mutual commitment to the search for a permanent peace in the Middle East is exemplified by the fact that this is our third meeting personally within the last year. In 2 months we will all be celebrating the 30th anniversary of the founding of the nation of Israel.

We have a commitment to the preservation of Israel as a nation, to the security of Israel, the right of the Israeli people, who have suffered so much, to live in peace that is absolutely permanent and unshakable.

The ties that bind the people of the United States and the people of Israel together, the ties of blood, kinship, ties of history, ties of common religious beliefs, the dream, centuries old, of the founding of the new nation of Israel have been realized. But the dream that the new nation of Israel should be guaranteed a right to live in peace has not yet been realized for its people and those who love Israel around the world.

This dream has been prevented by the shackles of potential war, and have prevented the pursuit of justice and the re-

duction in human suffering which has so long been a characteristic of Jews everywhere.

Since 1967 we've been working in a concerted way with the leaders of the Israeli Government, trying to bring the prospects and the realization of peace. For 10 years, under the broad scope of United Nations Resolution 242, this search has been going on in a concerted way.

And last November, with the dramatic welcoming of President Sadat to Jerusalem by Prime Minister Begin and the Israeli people, the hopes of the world were raised.

Those bright days of new opportunity have now been clouded over, and the recent cowardly and unjustified attack by terrorists on innocent civilians in Israel have resulted in the loss of hundreds of lives and tens of thousands of people who are now homeless.

We still hope and pray for an end to the disputes which would almost instantaneously transform the lives of the people of the Middle East into ones of hope, friendship, trade, prosperity, brotherhood, and peace.

Those hopes have not and will not be abandoned. Israel is now, militarily and in many other ways, stronger than ever before in history, and with this strength in physical terms and with this strength of the leadership of Israel rests the prospects for a resolution of the difficulties that have so long divided the people of the Middle East.

Peace can come from a guarantee of security, and our staunch friendship for Israel will continue to be a major element in this foundation for progress.

We welcome this morning Prime Minister Begin, a man of destiny who has had thrust upon his able shoulders the responsibilities for the future of his own people, of the people in the Middle East, and in-



deed, of those who love peace around the world.

Mr. Prime Minister, you are welcome to our country.

THE PRIME MINISTER. Mr. President, I thank you for your kindness and hospitality in inviting me again to the White House, together with my friend and colleague the Foreign Minister, Moshe Dayan, to conduct important talks with you, Secretary of State, and your advisers about the main issues concerning the Middle East and the peacemaking process.

Admittedly, Mr. President, these are times of trial. Only 10 days ago Israel got another reminder of what character is the implacable enemy she faces, what is its designs and methods toward men, women, and children, citizens of our country.

We believe that we shall overcome, because this is our duty to our people and to humanity, and with our deep faith in freedom and in justice, I can say again we shall overcome.

Israel contributed seriously to the peacemaking process in the Middle East. For the first time the Government of Israel elaborated and produced a detailed peace plan, a most forthcoming plan. And I brought this plan, after my visit to you, Mr. President, in December, also, during the Ismailia conference, to the President of Egypt.

May I be permitted to say, Mr. President, that the atmosphere which prevailed in December during our conference and later on at Ismailia was of understanding, of real friendship, of openness. The same applies to the meeting in Jerusalem between President Sadat and myself. Those are encounters of the most positive character, and we can only pray today that the spirit of Jerusalem, of Washington, and of Ismailia be renewed.

This will mean real progress toward establishment of peace in the Middle East—our dream, our innermost wish.

Mr. President, you also stressed the friendship of the United States for my country. I am grateful. I believe this friendship between the American and the Israeli peoples is everlasting, and we find proof time and again of this mutual friendship.

I wish again to thank you for the sentiments of deep humanity you expressed in your cable to me after that unspeakable atrocity 10 days ago.

On the basis of such understanding we shall continue to build our common future as free, democratic nations, and with the spirit of those days, which I mentioned, we shall also make real progress towards the establishment of a just and durable, real peace in the Middle East for which we yearn and which is so necessary to Israel and to the Arab countries.

Again, Mr. President, I thank you for your wonderful hospitality on behalf of the Foreign Minister, all our advisers, and myself, and I do hope that our talks today and tomorrow in the White House will deepen the friendship between our two countries.

Thank you.

NOTE: The President spoke at 10:35 a.m. on the South Lawn of the White House.

## National Farm Safety Week, 1978

*Proclamation 4556. March 21, 1978*

*By the President of the United States  
of America*

### A Proclamation

All Americans, and a sizeable portion of the rest of the world's people, depend upon American agriculture for much of their food and fiber. Anything that diminishes the ability of farmers and ranchers to meet these vital needs is of great concern. Farm accidents are among the cost-

liest impediments to production and cause great suffering and economic loss.

Accidents can destroy the lives and bodies, as well as the economic resources of farm families. Neither the individuals involved, nor the Nation, can afford these losses. Farm safety leaders believe that most farm accidents could be prevented with greater care in controlling hazards and unsafe practices—the same kind of dedicated, careful management and attention to detail that has made possible our incredible increase in agricultural production.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate the week beginning July 25, 1978, as National Farm Safety Week. I call upon the men and women who operate the Nation's farms and ranches to regard safety as an integral part of all their activities.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-first day of March, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 2:36 p.m., March 21, 1978]

## Energy Emergency in Indiana

*Statement on Extending the Energy Emergency Determination. March 21, 1978*

Based on a petition submitted to me by the Governor of the State of Indiana, pursuant to Section 110(f) of the Clean Air Act, I determined on February 15, 1978, that a regional energy emergency existed in the State of Indiana of such severity that a temporary suspension of certain particulate and sulfur dioxide control regulations and regulations governing reserves of low sulfur coal under

the Indiana Air Quality Implementation Plan might be necessary. I ordered the determination to be in effect for not more than 30 days unless I rescinded it before that time or extended it. Because of continuing energy supply problems throughout the State, I hereby extend the regional energy emergency determination for the State of Indiana for a second 30-day period. During this extension, the Administrator of the Environmental Protection Agency retains full authority to disapprove temporary suspensions of regulations in Indiana on a case-by-case basis and to exercise his emergency powers authority under Section 303 of the Clean Air Act, when and if necessary.

I urge the Governor to continue to act with due care if he further suspends any air pollution regulations under the authority provided by the extension of this determination, since such regulations are important to protect public health.

NOTE: The Presidential determination is printed in the *FEDERAL REGISTER* of March 24, 1978.

## National Teacher of the Year

*Remarks at the Presentation Ceremony for Elaine Barbour. March 21, 1978*

THE PRESIDENT. This is one of the pleasant experiences that a President has, to recognize excellence of achievement in our country.

The selection of the National Teacher of the Year is a ceremony that takes place every year, which is an inspiration, not only to those who depend upon the schools for a vital force in our lives and those of our children but also because we recognize that to choose one superb teacher from the tens of thousands who serve is really a recognition of them all.

Elaine Barbour has been chosen this year as the outstanding teacher of our

Nation. She was born in Kentucky, educated there and in Colorado. She taught in West Virginia, as well as Colorado, and because of her excellence and her ability to portray what America is, she also went during the summers in Sierra Leone and to Ethiopia to carry her superb teaching capability to those people there.

She recognizes, as demonstrated by her success in the classroom, some fundamental principles of education. As a sixth-grade teacher in Colorado she has especially benefited from the fact that children are different; teaching instruction has to be different for each child. And she's brought a vivid awareness of life to the classroom environment.

She has encouraged her students, for instance, to take an old dilapidated, unpainted building and to turn it into a place of beauty. She's encouraged her students to dig a pond and to study aquatic life there and to let them have a real sense of the out-of-doors.

She's had a chance to plant more than 1,200 trees and to transfer to the school class area an old log cabin and to have the students help to erect it. It's now going to be used as a museum where the children can take in their discoveries of God's natural beauty and present it in an effective way as an additional teaching characteristic for the classroom experience.

I think what she's done has introduced her students in a practical human way to God's world, to one another, to herself, as their teacher, to the out-of-doors, and in the process, she's involved in an exemplary fashion the citizens of the community of Montrose and also the parents as part of the learning process of their children.

So, you can see that in a special fashion she has exemplified the finest aspect of teaching in our great Nation.

I'd like to read this presentation before I give it to her.

"Elaine Barbour is recognized for

achievement, creative excellence, and dedicated service to the youth and schools of the Nation, exemplifying the finest ideals and the highest standards of the teaching profession as 1978 National Teacher of the Year, selected by a committee of distinguished national educators in the 27th Annual National Teacher of the Year Awards Program and presented this 21st day of March, 1978, by the sponsors, Encyclopaedia Britannica Companies, Ladies Home Journal, and the Council of State School Officers."

I am very proud to present this award as the National Teacher of the Year to Elaine Barbour on behalf of the people of our country.

And also I'd like to present an apple for the teacher. This crystal apple has also become part of the ceremony: "The 1978 Teacher of the Year for creative excellence and dedicated service, presented to Elaine Barbour at the White House."

NOTE: The President spoke at 2:15 p.m. in the Rose Garden at the White House.

## Visit of Prime Minister Begin of Israel

*White House Statement on the First Meeting, March 21, 1978*

President Carter and Prime Minister Begin met with their advisers this morning in the Cabinet Room for 2 hours.

The President was accompanied by the Vice President; Secretary of State Cyrus Vance; the President's Assistant for National Security Affairs, Zbigniew Brzezinski; State Department Director for Intelligence and Research Harold Saunders; Assistant Secretary of State for Near Eastern and South Asian Affairs Alfred Atherton; United States Ambassador to Israel Samuel Lewis; and NSC staff member William Quandt.

The Prime Minister was accompanied by Israeli Ambassador to the United States Simcha Dinitz; Foreign Minister Moshe Dayan; Attorney General Aharon Barak; Legal Advisor Meir Rosenne; Director, Prime Minister's Bureau Yehiel Kadishai; Military Secretary to the Prime Minister Brigadier General Ephraim Poran; Advisor to the Prime Minister Yehuda Avner; and Director, Israeli Supply Mission, New York and Designate: Director General for Foreign Affairs Josef Ciechanover.

The President and Prime Minister had a thorough discussion on the issues that must be resolved in order to assure continuity and progress in the peace negotiations. In particular, they have reviewed the status of negotiation on the Declaration of Principles for a comprehensive peace, and they have examined the question of the West Bank and Gaza.

The President reiterated his pledge to the parties to support and assist in every way the process of peace negotiations and reaffirmed the unswerving American commitment to the security of Israel. He expressed the view that, despite the recent increase in violence in the area, there remains a deep conviction that renewed progress toward peace is essential and that the door to progress remains open. He urged all those involved to seize this opportunity and to make the historic decisions on which peace now depends.

The President and the Prime Minister will meet again this evening and tomorrow.

pursuant to Section 110(f) of the Clean Air Act, I determined on February 18, 1978, that a regional energy emergency existed in the State of Kentucky of such severity that a temporary suspension of certain particulate and sulfur dioxide control regulations under the Kentucky Air Quality Implementation Plan might be necessary. I ordered the determination to be in effect for not more than 30 days unless I rescinded it before that time or extended it. Because of continuing energy supply problems throughout the State, I hereby extend the regional energy emergency determination for the State of Kentucky for a second 30-day period. During this extension, the Administrator of the Environmental Protection Agency retains full authority to disapprove temporary suspensions of regulations in Kentucky on a case-by-case basis and to exercise his emergency powers authority under Section 303 of the Clean Air Act, when and if necessary.

I urge the Governor to continue to act with due care if he further suspends any air pollution regulations under the authority provided by the extension of this determination, since such regulations are important to protect public health.

NOTE: The statement was released on March 22.

The Presidential determination of March 21 is printed in the FEDERAL REGISTER of March 24, 1978.

## Energy Emergency in Kentucky

*Statement on Extending the Energy Emergency Determination. March 21, 1978*

Based on a petition submitted to me by the Governor of the State of Kentucky

## Appalachian Trail Bill

*Statement on Signing H.R. 8803 Into Law. March 22, 1978*

The bill I have signed into law, H.R. 8803, gives the American people and

their elected leaders the means to protect the future of the Appalachian Trail.

The Appalachian Trail was conceived more than 50 years ago by Benton MacKaye, an eminent conservationist. By the time of World War II, a massive volunteer effort by concerned citizens had made the trail a reality. It now extends over 2,000 miles through 14 States from Maine to Georgia, and volunteer effort is still the primary means by which it is maintained.

Although much has been done to protect the Appalachian Trail over the years, the Congress and my administration recognized that more needed to be done. The result was this bill, to which Representatives Byron, Burton, and Sebelius, Senators Abourezk, Durkin, and Mathias, Secretary Andrus and Assistant Secretary Herbst made especially significant contributions.

The trail runs through national parks and forests, but it also runs through more than 650 miles of private land. H.R. 8803 provides increased authority and funding for the Secretary of the Interior to acquire lands to protect parts of the trail threatened by development and to relocate portions of the trail along its original route. Just as importantly, the bill requires the Secretary of the Interior—after consultation with the Advisory Council for the Appalachian National Scenic Trail, the Governors of the affected States, and the Appalachian Trail Conference (a coalition of citizens groups)—to develop and submit to the Congress by 1980 a comprehensive plan for land acquisition and for the management, development, and use of the Appalachian Trail.

The enactment of this bill into law means that the Federal Government can now work more effectively with the States and citizens to provide the protection

necessary to preserve—and ultimately enhance—this important part of our American heritage.

NOTE: As enacted, H.R. 8803 is Public Law 95-248, approved March 21.

## United States Arms Control and Disarmament Agency

*Message to the Congress Transmitting a Report. March 22, 1978*

One year ago, in my inaugural address, I pledged “perseverance and wisdom in our efforts to limit the world’s armaments to those necessary for each nation’s own domestic safety.” The report which I am transmitting is an account of the actions taken in 1977 by the U.S. Arms Control and Disarmament Agency towards the fulfillment of that pledge.

The Arms Control and Disarmament Agency is the focal point of my Administration’s efforts to reach arms control agreements through negotiations and to develop policies which will lead to reduced worldwide reliance on weaponry. This central role was legislated by the Congress seventeen years ago, and it is entirely in keeping with my concept of how these objectives should be pursued.

The arms control policy and goals set forth in this report reflect my own commitment to the achievement of these important objectives. In the nuclear age, when war could bring catastrophic consequences, our national security policy must include efforts to control arms, as well as to provide for our military defense. The two are complementary activities, both necessary to achieve our overall objectives—peace and security for this Nation and the world.

When necessary, we will maintain our security and protect our interests by

strengthening our military capabilities. Whenever possible, however, we seek to enhance our security through arms control. Our security and the security of all nations can be better served through equitable and verifiable limits on arms than through unbridled competition. The United States has chosen arms control as an essential means of promoting its security. As we pursue this continuing course, we must convince other nations that arms control is in their interest as well. Their cooperation is vital if balanced arms control agreements are to be achieved.

Ensuring the stability of the nuclear relationship between the United States and the Soviet Union is the most urgent arms control task today. In the longer term, however, I believe that preventing the worldwide proliferation of nuclear weapons may be of equal significance. Other pressing problems, such as the worldwide traffic in vast quantities of sophisticated conventional arms and regional arms buildups, have far-reaching implications for our own peace and security and that of the rest of the world. As such, I have taken steps to restrict U.S. arms transfers and to gain the cooperation of other suppliers in curbing worldwide sales.

The challenge of preventing war—and redirecting resources from arsenals of war to human needs—is the greatest challenge confronting mankind in this last quarter of the twentieth century. It is a challenge I accept.

JIMMY CARTER

The White House,  
March 22, 1978.

NOTE: The report is entitled "U.S. Arms Control and Disarmament Agency, Seventeenth Annual Report to the Congress—March 1978" (149 pages plus appendices).

## United States Court of Claims

*Nomination of Daniel M. Friedman To Be Chief Judge. March 22, 1978*

The President today announced that he will nominate Daniel M. Friedman, of Washington, D.C., to be Chief Judge of the U.S. Court of Claims. He would replace Wilson Cowen, who has retired.

Friedman was born February 8, 1916, in New York City. He received an A.B. from Columbia College in 1933 and an LL.B. from Columbia Law School in 1940. He served in the U.S. Army from 1942 to 1946.

From 1940 to 1942, Friedman practiced law, and from 1946 to 1951, he was on the legal staff of the Securities and Exchange Commission. From 1951 to 1959, he was an attorney in the Appellate Section of the Antitrust Division at the Justice Department.

Since 1959 Friedman has worked in the Office of the Solicitor General at the Justice Department, and since 1968 he has been First Deputy Solicitor General.

## Visit of Prime Minister Begin of Israel

*Remarks on the Departure of the Prime Minister. March 22, 1978*

THE PRESIDENT. The visit of Prime Minister Begin and his discussions with me and the other Israeli and American officials has been very important. These 2 short days have been spent in a comprehensive exchange of views on the Middle East peace process. I have reiterated to the Prime Minister the profound support of all Americans for the security and the well-being of the state of Israel as it approaches its 30th year of independence.

We share Israel's pride in this milestone.

Israel's achievements are uniquely its own, a mixture of high idealism, ingenuity, and self-reliance. Americans have always found an echo of our own frontier past in Israel's energy and its strong individualism.

Thirty years ago, Israel was born into uncertainty and a threatening future. Since that time, Israel has suffered more hardship and tragedy than most nations must endure in a century. Yet today, Israel stands as a powerful nation, fiercely independent and determined to forge its own political destiny.

The Israel of 1978 is strong and more secure militarily than at any time in its history. We in America take satisfaction in the knowledge that we have contributed in some small measure to the realization of that dream of strength. We have stood beside Israel from the earliest moments of its birth, and there we shall continue to stand.

This visit by Prime Minister Begin has had only one purpose, to explore the ways in which we can build our past cooperation into a true partnership for peace. In the course of these meetings, Prime Minister Begin and I have had an opportunity to review in considerable detail the present situation and our progress to date on a comprehensive settlement of the Middle East conflict.

As always, these discussions have been detailed and frank, as is to be expected from two partners in the peace process.

I have reviewed for Prime Minister Begin my recent discussions with President Sadat. And I have shared with him my assessment of what will be required to regain momentum in the common search for peace.

I emphasized to him the importance of reaffirming that all of the principles of Security Council Resolution 242 must ap-

ply to all fronts if peace negotiations are to succeed.

In the past few months, we have had a glimpse of what a peaceful future might hold. We have come to appreciate what it can mean in terms of human contact, direct contact, and liberation from the dangerous, self-defeating patterns of the past.

As Prime Minister Begin returns home, he will carry with him our hopes and our dreams for a future free of the bitterness and violence of the past generation.

We know that he faces both a challenge and an opportunity—the challenge of providing security for his people, and the opportunity to achieve that security through a true and enduring peace. It is our conviction that this opportunity must not be allowed to slip into the cycle of hatred and violence which has characterized the history of the Middle East for the past 30 years and which we have witnessed again over the last 2 weeks.

We pray with him that all peoples of the Middle East will come to realize that another generation must not be allowed to grow up learning only war and despair.

Prime Minister Begin does not return alone to his own country. He carries with him our deepest hopes and prayers. We stand with him as he faces the challenges and the opportunities of Israel's great dream.

At this historic moment, when peace still seems far away, we rely on the vision and the humanity of a great people, born of great suffering, to triumph once again.

In this mission, Prime Minister Begin carries with him the good wishes and the constant support of all the people of the United States.

Mr. Prime Minister, we wish you Godspeed.

THE PRIME MINISTER. Mr. President, I thank you wholeheartedly for the good

words and the expressions of friendship and understanding for our people and country. This is a new reaffirmation of the mutual, deep amity between our peoples and our countries.

As you said, Mr. President, our people had to suffer much and to fight for its liberation and for its independence. Great sacrifices were given so that we can have the land of our forefathers to build up for our children. But when I stand here in Washington in the presence of the President of the United States, our great friend and ally, it is my duty as the elected Prime Minister of Israel to remind public opinion of the fact that Israel is still the only country in the world against which there is a written document to the effect that it must disappear.

There is no country, either large or small, or even the smallest, against which there is such a document, demanding, saying publicly, that country should not exist, should be wiped off the map, and behind those people who carry out also the abominable acts to prove that they mean it, there is an alignment of many Arab states, armed to the teeth by the Soviet Union, and sometimes getting modern weapons also from the West.

This is the decisive problem we face, which is called, sometimes, security. I would like to reaffirm what security means to us. It means the preservation of the lives of our elderly people, of our women and our children—the lives which are threatened daily—so that to make sure that the future generations, as ours, will live in a free and independent country. This is the great issue we face, or continue to face.

Now, Mr. President, what is our contribution to the peacemaking process? Yes, indeed, when I learned that President Sadat is ready to come to Jerusalem, I immediately sent out to him an invitation to come, and then his visit took place.

After that, President Sadat, in the wake of my visit to you in December, Mr. President, invited me to come to Ismailia. Both meetings of Jerusalem and Ismailia were characterized by the spirit of friendship and openness. We knew, President Sadat and I, that we have differences of opinion. But we both agreed that we shall discuss them freely, we shall negotiate them, because such negotiations are the soul of any attempt to reach an agreement and to conclude a peace treaty.

That was the spirit. In that spirit, Israel contributed three documents, making it possible to deal with the question how to reach and conclude peace treaties. We made a peace proposal in two parts—one concerning the bilateral relations between Egypt and Israel, and the other, the full administrative autonomy for our neighbors, the Palestinian Arabs residing in Judea, Samaria, and the Gaza Strip.

It was a real contribution to the thinking and making of peace, positive, constructive; and so it was appreciated here, Mr. President, and elsewhere, when those two documents were produced, a forthcoming proposal to make peace, a long step forward, a great deal of flexibility, a notable contribution, to quote the public statements.

We added another document, a declaration of principles which should make it possible for everybody to join in the peace effort. There are three Israeli documents contributing to go forward in the process of reaching peace in the Middle East. We only ask to negotiate. We said it is a basis and a fair basis for negotiations. There may be counterproposals. We shall also negotiate them. This is the process.

Mr. President, may I express our hope that this will happen, indeed, and the spirit of the Jerusalem, the Washington, and the Ismailia meeting will be renewed, and in that spirit of understanding and



openness, the negotiations will be resumed.

As I will be leaving your great country, Mr. President, I will take with me the expressions of your friendship, of your humanity, of your understanding of our problems. We are very grateful to you. Israel is a very small country. The United States is a mighty world power. But there are bonds which tie us together in understanding and friendship which derive from our tradition, from our faith in divine providence, from our love of liberty, from our devotion to democracy.

These are the values which make life worthwhile to live. And therefore, as we say to each other from time to time, we are not only friends, we are partners, we are allies. And in this spirit, in the faith that we shall continue our partnership for peace, for liberty, for the welfare of our peoples and of mankind, I take leave of you, Mr. President, expressing my deep gratitude for your hospitality, for your warmth, and for your friendship.

Thank you.

NOTE: The President spoke at 12:25 p.m. on the South Lawn of the White House.

## National Commission on the Observance of International Women's Year, 1975

*Remarks at a Reception Honoring the Commission. March 22, 1978*

First of all, let me say that I'm very delighted as President of the United States to welcome you to the White House on behalf of me and Rosalynn and the rest of our family. Rosalynn and Judy and Midge, three members of my family, attended the Houston conference. And they were delighted at the tremendous success that you ensured in bringing to the fore-

front of American consciousness the determination and competence, idealism, persistence, courage, sound judgment of the women of our Nation.

It was potentially an explosive situation and one that could have brought a great deal of disharmony and discouragement to those who have been in the forefront of the fight for women's rights. But under the superb leadership of Bella Abzug, and with your help, the conference was a complete success.

I want to be sure that I as President and my entire Cabinet, the members of my official and personal family, are successful in keeping the spirit of Houston alive.

I think the most crucial assignment that falls on the shoulders of you and me and all those I named is to ensure the passage of the equal rights amendment, which, as you know, is not going to be easy. [*Laughter*]

The fervor and the commitment and the success of even a conference so important as the one at Houston is, comparatively speaking, a transient success. Even if we implement through legislative act and through governmental decision all the points that you raised at Houston as goals for accomplishment and fail in the permanent amendment of the United States Constitution, which will guarantee women's rights, our success will not be complete. And I believe that it's necessary for us to redouble our efforts during the coming 12 months.

I have asked my own domestic staff under Stu Eizenstat, working closely with Midge Costanza, with the members of my Cabinet—Juanita Kreps, Pat Harris, Joe Califano, Ray Marshall, and Brock Adams, others have assigned their top people ever since the Houston conference was concluded—to begin implementation of the plan of action which you completed.

We now have a period of 4 months to make a complete report to the Congress about the progress that has been concluded. Without trying to preempt what I know Chairman Bella Abzug will say, we have had some successes already. The Senate has passed a bill relating to pregnancy disability. It's now in the House. We're fighting to get it passed.

In October, I signed a bill to Congress that passed concerning child abuse. I signed a bill against child pornography in February of this year.

We are continuing the \$200 million commitment to child care under our Better Jobs and Income Program. We have an additional \$600 million for child care asked for in the Congress. Two major reorganization proposals will have a permanent and very profound impact on women's employment.

In the last 12 to 14 months, we've seen the unemployment rate drop two full percentage points in our country. And women have shared their portion of the net increase of 4.1 million new jobs in America. We've never had that big an increase before.

But there's still a dearth of adequate opportunity under the law and administrative regulations, even in the Federal Government.

Under Eleanor Holmes Norton, we hope to completely reorganize the Equal Employment Opportunity Commission's work and focus the responsibility for that fine principle under one strong and bold leader.

Another reorganization plan that's now being presented to the Congress is for the change in the civil service laws, which, although very fine in their vision a hundred years ago, have over the years perpetuated a deprivation of women's rights for adequate and equal employment opportunities. And the changes that we have proposed will go a long way toward eliminating that discrepancy.

Under Juanita Kreps, the new census regulations will move to redress the unfairness with which data applied to women to ensure their proper portion of attention from Federal laws, the administration of justice, and the distribution of our Nation's wealth to those who need it most.

I will establish by Executive order a continuing interdepartmental agency group. And I will also establish a continuing committee of women, many of you, to work intimately with the Cabinet officers, the agency heads, the White House staff, and me, personally, to be sure that the superb work that you did at Houston and since Houston will not be lost, but will be implemented completely.

And now I would like to take an opportunity as a great honor for myself to introduce to you my friend and a great chairman, Bella Abzug.

NOTE: The President spoke at 3 p.m. in the East Room at the White House. Following his remarks, Bella S. Abzug, presiding officer of the Commission, presented the President with a copy of the Commission's report on the National Women's Conference.

## Department of Commerce

***Nomination of Henry Geller To Be Assistant Secretary for Communications and Information. March 22, 1978***

The President today announced that he will nominate Henry Geller, of Alexandria, Va., to be Assistant Secretary of Commerce for Communications and Information.

Geller was born March 14, 1924, in Springfield, Mass. He received a B.S. from the University of Michigan in 1943 and a J.D. from Northwestern School of Law in 1949.

Geller was an attorney adviser in the Law Department of the Federal Communications Commission in 1949 and a

trial attorney with the National Labor Relations Board in 1950. In 1951 he was law clerk to Illinois Supreme Court Justice Walter V. Schaffer.

Geller rejoined the FCC in 1952 as an attorney adviser in the Broadcast Bureau and later served in the Office of Opinions and Review. In 1955 he became a trial attorney in the Office of the General Counsel.

From 1957 to 1961, Geller was a trial attorney in the Appellate Section of the Antitrust Division at the Justice Department. In 1961 he returned to the FCC as Associate General Counsel. From 1962 to 1964, he was Deputy General Counsel, and from 1964 to 1970, he was General Counsel. From 1970 to 1973, he was Special Assistant to the Chairman of the FCC.

From 1973 to 1975, Geller did research on communications at the Rand Corp. in Washington, and since 1975 he has been a communications fellow with the Aspen Institute Program on Communications and Society. He is also a consultant to the National News Council and the Rand Corp.

Geller has taught at the Georgetown University School of Law and the University of Pennsylvania Law School. He is the author of numerous articles.

## The Cyprus Conflict

*Message to the Congress Reporting on  
Progress Toward a Negotiated Settlement.  
March 23, 1978*

*To the Congress of the United States:*

As required by Public Law 94-104, this report describes the progress that has been made during the past sixty days toward a negotiated settlement on Cyprus.

In my last such report to the Congress, submitted on January 20, I outlined the continuing efforts that we and other nations have been making, in both bilateral and international meetings, to promote an early resumption of productive negotiations between the two Cypriot communities. I stressed that resolute action was still required, but still expressed the belief that we were moving in the right direction.

Since that time there have been developments of potential significance for Cyprus. Very shortly after his assumption of office on January 5, Turkish Prime Minister Ecevit publicly announced his intention to deal promptly and decisively with the outstanding foreign policy issues confronting his nation, prime among them being Cyprus. Ecevit acknowledged that a Cyprus settlement would be in Turkey's own best interests. "We want to see a rapid solution in Cyprus," he declared in a January 9 interview, "not because the U.S. or other friendly countries want it, but because it will be for the benefit of all Cyprus and for the benefit of peace in the region." Subsequently, in both public statements and private conversations, Prime Minister Ecevit said that he hoped negotiations between the communities would soon resume, and he declared that the Turkish side would submit concrete proposals on both the constitutional and territorial aspects of the issue.

United Nations Secretary General Waldheim visited Ankara, Athens and Nicosia between January 8 and 18. The Secretary General was apparently encouraged by his conversations with President Kyprianou, Prime Ministers Ecevit and Caramanlis, and Turkish Cypriot leader Denktash, and afterwards said that it might be possible to reconvene the stalled Cyprus intercommunal talks sometime early in the spring.

My Administration has welcomed Prime Minister Ecevit's declared intention to move forward on the Cyprus issue, and we have expressed our readiness to give full support to the initiatives of the Secretary General. Secretary Vance stopped in Ankara and Athens on January 20–22, following a visit to the Middle East, and held very useful discussions on a number of subjects, including Cyprus. The Secretary returned from these discussions convinced that both the governments of Turkey and Greece earnestly desired to work towards a Cyprus settlement.

The Turkish Cypriots, assisted by the Government of Turkey, are now preparing detailed constitutional and territorial proposals that could serve as a basis for resumed intercommunal negotiations. Our understanding is that these proposals may be completed sometime in March, and that negotiations between the two communities could be resumed by the Secretary General sometime thereafter. Toward that end, the Administration has recently urged the Turkish Cypriot leadership and the government of Turkey to develop proposals that are sufficiently substantive and forthcoming to form a basis for genuine negotiation. We have at the same time encouraged the Government of Cyprus to regard the new Turkish proposals, together with the proposals tabled by President Makarios last year, as a basis for initiating a round of intensive, good-faith negotiations which can lead to a narrowing of differences.

I strongly hope that productive Cyprus negotiations will be reconvened very soon. I am sure that all who wish to see peace, justice, and stability in Cyprus and in the eastern Mediterranean share this hope.

JIMMY CARTER

The White House,  
March 23, 1978.

## Ohio River Valley Water Sanitation Commission

*Appointment of John C. White as a United States Commissioner. March 23, 1978*

The President today announced the appointment of John C. White, of Atlanta, Ga., as a Commissioner representing the United States Government on the Ohio River Valley Water Sanitation Commission.

White, 48, is Regional Administrator of the Environmental Protection Agency for Region IV in Atlanta. He joined EPA when the Federal Water Pollution Control Administration (FWPCA) was incorporated into EPA in 1970. He has been with the FWPCA since 1966.

## Improving Government Regulations

*Remarks on Signing Executive Order 12044. March 23, 1978*

I think this is the first time in history that a Presidential Executive order has been circulated for comment before it was issued, and the comments have been very constructive. We received some very careful and helpful comments from more than 350 people, and I think this is indicative of the interest that is shown in this particular action on my part.

This is also the first time that the executive branch, so far as I know, has attempted in a fundamental way to improve the Government regulatory process by making regulations simpler, less burdensome, and by giving the public a chance to be involved in a critique of the effectiveness of regulations, which quite often have the far-reaching effect of law and quite often are not as carefully considered as a legal act by the Congress.

Greater accountability will be built into the process in the future, since agency heads are required to publish semiannually a list of significant regulations which they are considering or which they have under review, and because, again, of a greater opportunity for public involvement before the head of an agency makes a decision on a regulation.

We have also required in this Executive order, which I shall soon sign, that agency heads reassess the effectiveness of existing regulations to determine not only the prospective need for regulation that's new but the continuing of demonstrated need of existing ones.

When a regulation is determined to be required, we want it to be the least burdensome alternative among many that are considered. I want to be sure that the regulations, for a change, will be written in plain English that I can understand and that the head of the department can understand, and that the person who's written the regulation be identified by name. I want to have a lot of pride of authorship in the regulation and not shame when a regulation is indecipherable.

Another requirement in the Executive order will be that the economic impact of regulations be assessed, whether or not they contribute to a burdensome and costly additional requirement on those who have to comply with the regulations. In the major ones we want to be sure that they don't contribute to inflationary costs and that they are compatible with the overall economic policy of our country.

I will be personally involved in assuring that the Executive order is carried out. And under me, the Office of Management and Budget will be working very

closely with the heads of agencies and departments to assure that the spirit and the letter of the Executive order is honored. We want to make this a common effort.

The independent regulatory agencies are not included in the Executive order. Many of the heads of those agencies are here. The overwhelming response of almost everyone in the initial publication of the proposed Executive order was that regulatory agencies should come under the Executive order. I don't think that's necessary. I think their independence should be preserved. But to the extent that the Executive order is applicable and advisable, I would certainly hope that the regulatory agencies would decide to implement them on your own initiative as a voluntary effort.

You might want to go even further in some instances than I have done in this Executive order, because this has to apply to literally dozens of agencies. And you might, through your own actions, focus more nearly on correcting a defect that exists within the ICC or the FTC or others.

I'm very pleased that a common effort has brought this into being, and I'm looking forward to a benefit for our entire country because of the cooperation that I expect.

I'd now like to sign the Executive order which I think will be a major step forward for the people of the United States, to make my job easier, make your job easier. I think everyone benefits by this one; nobody will suffer except people who sell typewriter ribbons, and maybe some of the printers won't have as much to print. [*Laughter*]

NOTE: The President spoke at 10:31 a.m. at the signing ceremony in the Roosevelt Room at the White House.

## Improving Government Regulations

**Executive Order 12044. March 23, 1978**

As President of the United States of America, I direct each Executive Agency to adopt procedures to improve existing and future regulations.

**SECTION 1. Policy.** Regulations shall be as simple and clear as possible. They shall achieve legislative goals effectively and efficiently. They shall not impose unnecessary burdens on the economy, on individuals, on public or private organizations, or on State and local governments.

To achieve these objectives, regulations shall be developed through a process which ensures that:

- (a) the need for and purposes of the regulation are clearly established;
- (b) heads of agencies and policy officials exercise effective oversight;
- (c) opportunity exists for early participation and comment by other Federal agencies, State and local governments, businesses, organizations and individual members of the public;
- (d) meaningful alternatives are considered and analyzed before the regulation is issued; and
- (e) compliance costs, paperwork and other burdens on the public are minimized.

**SEC. 2. Reform of the Process for Developing Significant Regulations.** Agencies shall review and revise their procedures for developing regulations to be consistent with the policies of this Order and in a manner that minimizes paperwork.

Agencies' procedures should fit their own needs but, at a minimum, these procedures shall include the following:

- (a) *Semiannual Agenda of Regula-*

*tions.* To give the public adequate notice, agencies shall publish at least semiannually an agenda of significant regulations under development or review. On the first Monday in October, each agency shall publish in the **FEDERAL REGISTER** a schedule showing the times during the coming fiscal year when the agency's semiannual agenda will be published. Supplements to the agenda may be published at other times during the year if necessary, but the semiannual agendas shall be as complete as possible. The head of each agency shall approve the agenda before it is published. At a minimum, each published agenda shall describe the regulations being considered by the agency, the need for and the legal basis for the action being taken, and the status of regulations previously listed on the agenda. Each item on the agenda shall also include the name and telephone number of a knowledgeable agency official and, if possible, state whether or not a regulatory analysis will be required. The agenda shall also include existing regulations scheduled to be reviewed in accordance with Section 4 of this Order.

(b) *Agency Head Oversight.* Before an agency proceeds to develop significant new regulations, the agency head shall have reviewed the issues to be considered, the alternative approaches to be explored, a tentative plan for obtaining public comment, and target dates for completion of steps in the development of the regulation.

(c) *Opportunity for Public Participation.* Agencies shall give the public an early and meaningful opportunity to participate in the development of agency regulations. They shall consider a variety of ways to provide this opportunity, including (1) publishing an advance notice of proposed rulemaking; (2) holding open conferences or public hearings; (3) sending notices of proposed regulations to pub-

lications likely to be read by those affected; and (4) notifying interested parties directly.

Agencies shall give the public at least 60 days to comment on proposed significant regulations. In the few instances where agencies determine this is not possible, the regulation shall be accompanied by a brief statement of the reasons for a shorter time period.

(d) *Approval of Significant Regulations.* The head of each agency, or the designated official with statutory responsibility, shall approve significant regulations before they are published for public comment in the *FEDERAL REGISTER*. At a minimum, this official should determine that:

- (1) the proposed regulation is needed;
- (2) the direct and indirect effects of the regulation have been adequately considered;
- (3) alternative approaches have been considered and the least burdensome of the acceptable alternatives has been chosen;
- (4) public comments have been considered and an adequate response has been prepared;
- (5) the regulation is written in plain English and is understandable to those who must comply with it;
- (6) an estimate has been made of the new reporting burdens or record-keeping requirements necessary for compliance with the regulation;
- (7) the name, address and telephone number of a knowledgeable agency official is included in the publication; and
- (8) a plan for evaluating the regulation after its issuance has been developed.

(e) *Criteria for Determining Significant Regulations.* Agencies shall establish criteria for identifying which regulations are significant. Agencies shall consider

among other things: (1) the type and number of individuals, businesses, organizations, State and local governments affected; (2) the compliance and reporting requirements likely to be involved; (3) direct and indirect effects of the regulation including the effect on competition; and (4) the relationship of the regulations to those of other programs and agencies. Regulations that do not meet an agency's criteria for determining significance shall be accompanied by a statement to that effect at the time the regulation is proposed.

SEC. 3. *Regulatory Analysis.* Some of the regulations identified as significant may have major economic consequences for the general economy, for individual industries, geographical regions or levels of government. For these regulations, agencies shall prepare a regulatory analysis. Such an analysis shall involve a careful examination of alternative approaches early in the decisionmaking process.

The following requirements shall govern the preparation of regulatory analyses:

(a) *Criteria.* Agency heads shall establish criteria for determining which regulations require regulatory analyses. The criteria established shall:

- (1) ensure that regulatory analyses are performed for all regulations which will result in (a) an annual effect on the economy of \$100 million or more; or (b) a major increase in costs or prices for individual industries, levels of government or geographic regions; and
- (2) provide that in the agency head's discretion, regulatory analysis may be completed on any proposed regulation.

(b) *Procedures.* Agency heads shall establish procedures for developing the regulatory analysis and obtaining public comment.

- (1) Each regulatory analysis shall contain a succinct statement of the problem; a description of the major alternative ways of dealing with the problem that were considered by the agency; an analysis of the economic consequences of each of these alternatives and a detailed explanation of the reasons for choosing one alternative over the others.
- (2) Agencies shall include in their public notice of proposed rules an explanation of the regulatory approach that has been selected or is favored and a short description of the other alternatives considered. A statement of how the public may obtain a copy of the draft regulatory analysis shall also be included.
- (3) Agencies shall prepare a final regulatory analysis to be made available when the final regulations are published.
- (d) the need to simplify or clarify language;
- (e) the need to eliminate overlapping and duplicative regulations; and
- (f) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions or other factors have changed in the area affected by the regulation.

Agencies shall develop their selection criteria and a listing of possible regulations for initial review. The criteria and listing shall be published for comment as required in Section 5. Subsequently, regulations selected for review shall be included in the semiannual agency agendas.

#### SEC. 5. *Implementation.*

(a) Each agency shall review its existing process for developing regulations and revise it as needed to comply with this Order. Within 60 days after the issuance of the Order, each agency shall prepare a draft report outlining (1) a brief description of its process for developing regulations and the changes that have been made to comply with this Order; (2) its proposed criteria for defining significant agency regulations; (3) its proposed criteria for identifying which regulations require regulatory analysis; and (4) its proposed criteria for selecting existing regulations to be reviewed and a list of regulations that the agency will consider for its initial review. This report shall be published in the *FEDERAL REGISTER* for public comment. A copy of this report shall be sent to the Office of Management and Budget.

(b) After receiving public comment, agencies shall submit their revised report to the Office of Management and Budget for approval before final publication in the *FEDERAL REGISTER*.

(c) The Office of Management and Budget shall assure the effective implementation of this Order. OMB shall re-

Regulatory analyses shall not be required in rulemaking proceedings pending at the time this Order is issued if an Economic Impact Statement has already been prepared in accordance with Executive Orders 11821 and 11949.

SEC. 4. *Review of Existing Regulations.* Agencies shall periodically review their existing regulations to determine whether they are achieving the policy goals of this Order. This review will follow the same procedural steps outlined for the development of new regulations.

In selecting regulations to be reviewed, agencies shall consider such criteria as:

- (a) the continued need for the regulation;
- (b) the type and number of complaints or suggestions received;
- (c) the burdens imposed on those directly or indirectly affected by the regulations;



port at least semiannually to the President on the effectiveness of the Order and agency compliance with its provisions. By May 1, 1980, OMB shall recommend to the President whether or not there is a continued need for the Order and any further steps or actions necessary to achieve its purposes.

**SEC. 6. Coverage.**

(a) As used in this Order, the term regulation means both rules and regulations issued by agencies including those which establish conditions for financial assistance. Closely related sets of regulations shall be considered together.

(b) This Order does not apply to:

- (1) regulations issued in accordance with the formal rulemaking provisions of the Administrative Procedure Act (5 U.S.C. 556, 557);
- (2) regulations issued with respect to a military or foreign affairs function of the United States;
- (3) matters related to agency management or personnel;
- (4) regulations related to Federal Government procurement;
- (5) regulations issued by the independent regulatory agencies; or
- (6) regulations that are issued in response to an emergency or which are governed by short-term statutory or judicial deadlines. In these cases, the agency shall publish in the *FEDERAL REGISTER* a statement of the reasons why it is impracticable or contrary to the public interest for the agency to follow the procedures of this Order. Such a statement shall include the name of the policy official responsible for this determination.

**SEC. 7.** This Order is intended to improve the quality of Executive Agency regulatory practices. It is not intended to create delay in the process or provide new grounds for judicial review. Nothing in this Order shall be considered to super-

sede existing statutory obligations governing rulemaking.

**SEC. 8.** Unless extended, this Executive Order expires on June 30, 1980.

JIMMY CARTER

The White House,  
March 23, 1978.

[Filed with the Office of the Federal Register,  
12:58 p.m., March 23, 1978]

NOTE: The Summary and Analysis of Public Comments is printed in Part VI of the *FEDERAL REGISTER* of March 24, 1978.

## Improving Government Regulations

*Statement on Executive Order 12044.*  
*March 23, 1978*

I have often said that the American people are sick and tired of excessive Federal regulation. To many citizens who have to deal with it on a regular basis, the Federal Government has become like a foreign country, complete with its own interests and its own language.

As a farmer and a small businessman, and later as a Governor, I shared this resentment and frustration. I resented the cost of Government redtape, the interference it represented in my business and personal life, and not least of all, having to deal with the bureaucratic gobbledygook itself. I know I am not alone in this frustration. Many Members of Congress have expressed to me their personal concerns in this area.

I came to Washington to reorganize a Federal Government which had grown more preoccupied with its own bureaucratic needs than with those of the people. This Executive order is an instrument for reversing this trend. It promises to make Federal regulations clearer, less burdensome, and more cost-effective.

First, it will direct that regulations be written in plain English. Government

regulations are usually written *by* experts *for* experts. Your clear mandate will be to translate regulations into language a small businessman—who must be his own expert—can understand.

Second, this order opens up the regulatory process to broad public involvement. It requires that departments and agencies issue regular “early warning” announcements of any significant new regulatory action that is being considered. This announcement must contain the name and telephone number of a specific official responsible in this area.

Third, it requires that you be personally and clearly accountable for the regulations that are being considered. You must sign off on items on the agency agenda; be satisfied that feasible alternatives have been carefully examined; and assure that regulatory burdens are reduced. It requires that the public be given the name, address, and telephone number of a knowledgeable agency official who can answer questions about new regulations.

Fourth, it directs that whenever a regulation may have a major economic consequence, the agency must conduct an early and rigorous examination of all alternatives of achieving the stated objective. This requirement will ensure that Federal regulations are cost-effective and impose minimum economic burdens on the private sector.

Finally, and very importantly, it requires every agency to undertake a systematic, “sunset” review of existing regulations. The agencies are to eliminate those which are unnecessary and reform others to reduce the burden to the minimum.

Many of these reforms are already underway at EPA, as well as HEW, DOT, Labor, and the Department of Energy.

I am confident that efforts of executive agencies to carry out this order will be matched by similar efforts on the part of

the independent regulatory agencies. Many commissions are already well on their way in this regard. The Federal Communications Commission, for example, has just completed their rewrite of regulations that affect millions of CB radio owners. Here’s a line from the old version:

“Except as provided in paragraph B of this section, applications, amendments thereto, and related statements of fact required by the Commission shall be personally signed by the applicant, if the applicant is an individual.”

Instead of that gobbledygook, the new version says: “If you are an individual, you must sign your own application personally.”

This is an example of the kind of change the Executive order is meant to encourage.

## Improving Government Regulations

*Memorandum From the President.*  
*March 23, 1978*

*Memorandum for the Heads of Executive Departments and Agencies*

In order to assure full State and local participation in the development and promulgation of Federal regulations with significant intergovernmental impact, I want the Departments to develop procedures in the following manner:

- I have asked the national organizations representing general purpose State and local governments (including the National Governors’ Association, the National Conference of State Legislatures, the Council of State Governments, the National League of Cities, the United States Conference of Mayors, the National Association of Counties, and the International City Management Associa-

tion) to systematically review the semi-annual regulation agendas to be published in the FEDERAL REGISTER by each executive department and agency.

- Any of these national organizations should notify the appropriate executive department or agency if it believes that a regulation included on an agency regulation agenda would have major inter-governmental significance. Notification should be made through the senior inter-governmental officials whose names I announced in a FEDERAL REGISTER notice on September 20, 1977.

- Upon receipt of notification from any of the above named organizations, the agency shall develop a specific plan for consultation with State and local governments in the development of that regulation. Such consultation shall include the solicitation of comments from the above named groups, from other representative organizations and from individual State and local governments as appropriate.

Consistent with my memorandum to you of February 25, 1977, whenever major agency regulations identified as having major intergovernmental significance are submitted to the Office of Management and Budget for review or are published in the FEDERAL REGISTER, those proposed regulations shall be accompanied by a brief description of how State and local governments have been consulted, what the nature of the State and local comments was, and how the agency dealt with such comments.

As you implement the new Executive Order, I expect that you will include in your revised agency procedures, provisions which will institute intergovernmental consultation described in this memorandum.

Because the goals and procedures of the new Order duplicate those of the OMB circular now governing the consultation process, OMB has rescinded it. However, nothing in this memorandum shall be

construed as in any way diminishing the affirmative obligation of the executive departments and agencies to actively seek out, encourage, and facilitate the submission of State and local comments in the development of Federal regulations in any other ways appropriate to the agency and the proposed regulation.

JIMMY CARTER

## Improving Government Regulations

*Letter to the Heads of Independent Regulatory Agencies. March 23, 1978*

Today I issued an Executive Order to improve government regulations. This Order will open up new opportunities for public participation in the regulatory process, require regulations to be clearer and more understandable, and assure more effective oversight of the development of agency regulations.

I believe that this effort is one of the most important reform initiatives to be undertaken by my Administration. I have asked the members of the Cabinet and other agency heads to give personal priority and attention to implementing the Order. To be fully effective and achieve the full range of needed improvements, I believe that it would be useful for the independent regulatory commissions to initiate a voluntary effort to achieve similar procedural reforms.

As you know, public comment on whether or not to apply these procedures to independent regulatory agencies was specifically sought in the November 18, 1977 notice in the FEDERAL REGISTER. The overwhelming response was that these agencies should adopt the provisions of the Order. The public is seeking a change. They are encouraging us to seek new approaches to the way in which government regulates. They point out that if

regulations were simpler, less burdensome, and more clearly understandable, people would be better able to comply with them.

I believe that the new spirit of openness, simplicity and clarity advocated in this Executive Order responds to the public's concerns. I know that many important reforms are already underway in the independent agencies and I believe that the requirements of the Order complement these efforts. I am asking you as Chairman of your agency to initiate your own program to incorporate the provisions of the Order. In addition, it would be useful for you to report progress on your efforts to the Congress and to me by June 30, 1978. I look forward to reviewing these reports.

Sincerely,

JIMMY CARTER

NOTE: This is the text of identical letters addressed to the Chairmen of the Civil Aeronautics Board, the Commodity Futures Trading Commission, the Consumer Product Safety Commission, the Federal Communications Commission, the Federal Deposit Insurance Corporation, the Federal Election Commission, the Federal Energy Regulatory Commission, the Federal Home Loan Bank Board, the Federal Maritime Commission, the Board of Governors of the Federal Reserve System, the Federal Trade Commission, the Interstate Commerce Commission, the National Labor Relations Board, the Nuclear Regulatory Commission, the Occupational Safety and Health Review Commission, the Postal Rate Commission, and the Securities and Exchange Commission.

## Meeting With Prime Minister James Callaghan of the United Kingdom

*Remarks on the Departure of the Prime Minister. March 23, 1978*

THE PRESIDENT. I am sorry we kept you waiting for a few minutes, but I would like to point out again how delighted we

are to have Prime Minister Callaghan come for an overly brief visit with us.

He's here in our country visiting his daughter, son-in-law, and his grandchildren, and a month or so ago we made arrangements for him to come and consult with me on some very important matters that affect our countries.

Prime Minister Callaghan has a superb background in the British Government concerning economics, and we all recognize and have had thorough discussions about the possibilities for multilateral action to improve the economic circumstances of the trading world.

Obviously, each country has to take its own initiatives against unemployment, against inflation, for the stabilization of currencies, for the enhancement of trade, for the conservation and proper use of energy, to prevent protectionist sentiments putting an obstruction before the progress of the standard of living of people in the world. And we've discussed all those matters this morning.

We've outlined to the British leaders some of the actions that we have in mind as possibilities. We've discussed our private conversations with the leaders of Germany, Japan, France, other trading partners.

Prime Minister Callaghan will be back here again in May, along with other heads of state, to consult on NATO matters, and we'll have a chance for political and economic discussions at that time. And I'll be joining with him and others in Bonn in July at an economic summit. But we have been very gratified at his initiative in coming here. We will be consulting with other leaders as well. Prime Minister Fukuda will come to visit me personally later on this spring.

The harmony that exists between ourselves and Great Britain is a very gratifying thing for a President. This has been a sustaining factor in our lives in this coun-

try so long as I can remember. And it's a basis for consultation in a private way between myself and my dear and good close friend, Jim Callaghan, not only in the matters I've described but many others that are of common interest to our people.

Jim, we're proud to have you here, and your meeting has been very helpful to us. I believe that our countries now, in preparation for the economic summit, can join together in a much more harmonious and effective way to bring about better economic circumstances, not only in our own nations but throughout the world.

Thank you very much.

THE PRIME MINISTER. *Mr. President, and ladies and gentlemen:*

Thank you very much for your hospitality, Mr. President, which we've enjoyed, and for the conversations.

We, like you, have been thinking about these economic problems for some time, and the thing that has obsessed me, having lived through this now for 20 years or more, at fairly close hand, is that internationally, we've lost the guidelines which used to set boundaries for our action. And we're cast adrift, almost, in some ways, and there is less united action; we're all acting individually as countries much more than I can recall.

There are reasons for this which I will not enumerate. They have developed since the end of the Bretton Woods era, really. And the result is that I think there is a greater responsibility thrust upon the world leaders now to try, in the absence of the old guidelines, to find collective and concerted action that will restore confidence in our capacity to use the human and material resources of the world in a much more efficient and able way than we've been doing over recent years.

The level of unemployment is far too high; the growth rates in the world are too low. The amount of aid that is going to other countries is too small and is af-

fecting the capital flows. And yet we are not in the grip of economic forces that we are unable to control. If all of us together—certainly the major countries—want to apply the political effort to improving the situation, it can be done.

And what I've been happy to find, what I expected to find and have found, is that the President of the leading nation of the Western World not only recognizes this but is also ready to see collective action taken, leading up to the summit in Bonn in which we can consult and can coordinate our efforts as far as possible.

I hope I'm not abusing your hospitality, Jimmy, if you will allow me to say this, if I say how much I admire the energy conservation program that you've put forward. I don't know whether the American people recognize just how significant and important this program is to restoring economic health, not only to the United States but to the rest of us in the Western World. It is of vital significance, and I'm very gratified indeed that you have managed to get so far. And I certainly hope that you'll be able to carry it through.

I think all of us must support you in the sense that we must, too, have our own conservation programs. We can't allow you to do it all. But of course, you are by far the biggest user of energy in this sense, and therefore it's essential that you do have to bear the brunt of it. But I would like to say that I hope very much that the statesmanship that the United States administration is showing can be carried through in this particular direction.

If I may add just one other thing: We've got to coordinate our actions far more than we've done up to the moment, and we have got to relate them, whatever we are doing in the next few months, to the need to get the world economies moving together again.

I think what is true is that the actions that we take individually are less impor-

tant than the collective sum of them. The collective action that we would take by agreement with each other is greater than the sum of the parts in restoring confidence.

So, I believe that we have begun on a good path. I know that other leaders—Chancellor Schmidt and President Giscard, Signor Andreotti, Mr. Trudeau, and Mr. Fukuda—are all concerned about these matters. It is for all of us to coordinate our actions, and I believe that come July, and the actions that we take between now and July and the efforts we make, if we can ratify those actions with a plan in July—not with declarations, we've passed that stage, but with a plan of action—I believe we can do a very great deal to pull the world out of the recession in which it finds itself.

I thank you very much, Mr. President, for setting aside this time for our discussions, which I value not only on this but on other matters, too.

We don't have to waste time circling around each other. We get down to talk straightaway. The President's a quick man at doing business. He thinks far too quickly for me. And that's why I'm always left behind. But I managed to struggle along behind him, keep up now and again. And between us, we can form some conclusions that I believe are of benefit to both our countries.

Thank you very much indeed.

NOTE: The President spoke at 1:30 p.m. to reporters assembled on the South Grounds of the White House.

## Meeting With Prime Minister Callaghan of the United Kingdom

*White House Statement. March 23, 1978*

The British Prime Minister, the Rt. Hon. James Callaghan, M.P., and the President met at the White House this

morning, beginning at 11 a.m. and continuing through a working lunch. The Prime Minister is in Washington at the invitation of President Carter. He arrived yesterday afternoon and will remain in Washington for several days in a private capacity, visiting his daughter and family (Mrs. Peter Jay, wife of the British Ambassador). Mrs. Callaghan accompanied him.

The Prime Minister's trip here is in the context of our frequent and close consultations with the United States traditional friends and allies, particularly on economic and security issues affecting our mutual well-being. As you know, Danish Prime Minister Jørgensen was recently here in his capacity as EC Council President, and Mr. Callaghan's visit will be followed by the North Atlantic Council summit meeting here in May, Japanese Prime Minister Fukuda's visit later this spring, and another economic summit meeting in the coming months.

The meeting this morning was characterized by a very warm and friendly atmosphere, as befits the third meeting of the two leaders since President Carter took office last year. The Prime Minister and the President discussed a number of issues, including the international economic situation, at some length. They exchanged ideas and agreed to continue to be in close communication.

## Pan American Day and Pan American Week, 1978

*Proclamation 4557. March 23, 1978*

*By the President of the United States  
of America*

### A Proclamation

For more than one hundred and fifty years the nations of the Western Hemisphere have recognized that peace and

understanding can be achieved only if we are willing to put aside our differences and join together to solve our problems and share our opportunities. Drawing upon a common heritage and shared hopes for the future, the nations of the Americas constantly seek ways to strengthen their ties with each other. Their success in achieving these goals is due in large measure to the Organization of American States, the world's oldest regional organization.

Through the Organization of American States we in the Western Hemisphere have developed a unique system of cooperation which promotes political understanding, economic progress and social justice. An organization of great vitality and adaptability, it is now responding vigorously to the new challenges of the last quarter of the twentieth century. For these reasons, the United States continues, and will continue, to lend its full support to the Organization of American States and the Inter-American System. Accordingly, it is appropriate that we join with its other members in reaffirming our mutual commitment to friendship, trust and cooperation.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim Friday, April 14, 1978, as Pan American Day, and the week beginning April 9, 1978 as Pan American Week and call upon all Americans to honor these observances with ceremonies and activities that will reflect the continuing commitment of the United States of America to a peaceful and productive relationship among the nations and peoples of the Western Hemisphere.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-third day of March, in the year of our Lord nineteen hundred seventy-eight, and of the Inde-

pendence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
[11:07 a.m., March 24, 1978]]

## United States Ambassador to the Dominican Republic

*Nomination of Robert L. Yost.  
March 24, 1978*

The President today announced that he will nominate Robert L. Yost, of Tujunga, Calif., to be Ambassador Extraordinary and Plenipotentiary of the United States to the Dominican Republic. He would replace Robert A. Hurwitch, who has resigned.

Yost was born September 8, 1922, in Kirkland, Wash. He received a B.S. from the University of California at Los Angeles in 1942 and an M.S. from George Washington University in 1968. He served in the U.S. Army from 1942 to 1946.

Yost entered the Foreign Service in 1946 as economic and political officer in Madrid. He served as economic officer in Antwerp (1949-1952) and Leopoldville (1953-1955). He was an international economist in the Bureau of European Affairs at the State Department in 1958 and 1959.

From 1959 to 1962, Yost was principal officer in Cebu, and from 1962 to 1965, he served in Paris as financial advisor and special assistant and secretary to the United States Mission to the Organization for Economic Cooperation and Development.

From 1965 to 1967, Yost was Special Assistant in the Bureau of European Affairs. He attended the National War College in 1967-68, and from 1968 to 1972, he was Deputy Chief of Mission in Addis

Ababa. He was Ambassador to Burundi from 1972 to 1974. Since 1974 he has been Deputy Inspector General at the State Department.

## Director of the Office of Management and Budget

*Remarks at the Swearing In of James T. McIntyre, Jr. March 24, 1978*

First of all, I want to thank Fritz and Jim for holding the crowd together 'til I could get here. [*Laughter*]

This is a good day in the life of the Carter administration and the Federal Government and the United States of America. I doubt that there's anyone in the administration whom I know better and whom I admire more than Jim McIntyre.

He is something of an anomaly in the Carter administration, and that is that he's well qualified in the job that he holds. [*Laughter*] He is a professional. In his training and his background, his life's commitment is to the specific duties that he will be performing for the people of our country. He's a man of superb educational background and experience, complete integrity and total dedication. And I'm very grateful that he is here to represent the people of our country in such a superb way.

Jim is a man who knows me well. He has helped to evolve my own attitude toward government administration. He's been involved in our successes and our failures. We've learned through this experience. And when Jim McIntyre speaks to the heads of the Federal agencies in the preparation of the budget, they know that he speaks as though it were my own voice. And when he deals with the Con-

gress to present testimony and evidence and opinion, there will be no doubt that he speaks with the voice of the President.

It's reassuring to me in the challenging job that I have to be supported by and advised by a man of this caliber and this quality. And I'm very grateful to him for being willing to serve our country in such a way.

Jim, thank you.

NOTE: The President spoke at 2 p.m. at the ceremony in the Rose Garden at the White House. Prior to his remarks, Vice President Walter F. Mondale spoke and then administered the oath of office to Mr. McIntyre.

## Spring Flooding

*Announcement Concerning Flood Insurance. March 24, 1978*

The President has expressed his deep concern for people faced with the threat of spring flooding.

Melting snow coupled with rising temperatures and spring rains could bring floods to many parts of the country without warning. Other areas not hit by winter storms could be affected if they are in the path of flood waters.

Recently, major flooding has taken place in Nebraska, Indiana, and Ohio. Mudslides and floods have left people homeless in Southern California. The New England coast and parts of Arizona were unexpectedly flooded. Property losses amounted to hundreds of millions of dollars.

Many of these losses could have been averted if property owners had purchased flood insurance.

People living in flood-prone areas can take precautions before disaster strikes. Local insurance agents offer low-cost, federally subsidized flood insurance avail-



able through the U.S. Department of Housing and Urban Development.

Property owners can insure homes, businesses, and contents for as little as 25 cents per \$100 coverage. Tenants can insure their personal belongings under the program.

It takes 15 days for flood insurance to take effect. Policies purchased today will cover damages if a flood hits in 2½ weeks.

## Department of the Treasury

***Nomination of Donald C. Lubick To Be an Assistant Secretary. March 24, 1978***

The President today announced that he will nominate Donald C. Lubick, of Chevy Chase, Md., to be an Assistant Secretary of the Treasury for Tax Policy. He would replace Laurence Woodworth, deceased.

Lubick was born April 29, 1926, in Buffalo, N.Y. He received a B.A. from the University of Buffalo in 1945 and a J.D. from Harvard University in 1949.

From 1950 to 1961, and from 1964 to 1977, Lubick was associated with the Buffalo law firm of Hodgson, Russ, Andrews, Woods & Goodyear. From 1961 to 1964, he was tax legislative counsel of the Treasury Department. He also has been a member of the faculty of the University of Buffalo Law School on a part-time basis, teaching courses in a variety of fields, including Federal income taxation. He has published articles and been a frequent lecturer on Federal taxation.

In May 1977, Lubick was appointed Deputy Assistant Secretary of the Treasury for Tax Policy. Since Woodworth's death in December 1977, he has been Acting Assistant Secretary.

## United States Assay Office in New York City

***Nomination of Saul Silverman To Be Assayer. March 24, 1978***

The President today announced that he will nominate Saul Silverman, of Philadelphia, Pa., to be Assayer of the United States Assay Office in New York City. He would replace Allan Ryan, deceased.

Silverman was born March 2, 1921, in Brooklyn, N.Y. He holds B.S. degrees in pharmacy and chemistry from St. John's University in New York. He served in the U.S. Army from 1942 to 1945.

From 1949 to 1954, Silverman was a pharmacist. He worked as an analytical chemist at R. H. Macy Laboratories and as a quality control and technical service chemist at E. F. Houghton between 1954 and 1962. In 1962 and 1963, he was a chemist for Orland Research and Development.

Silverman has been with the Philadelphia Mint since 1963, working as a chemist and supervisory chemist. Last January, after the death of the Assayer of the New York Assay Office, Silverman was temporarily assigned to that office as Supervisor of the Assay Division.

## United States Air Force Academy Board of Visitors

***Appointment of Bruce G. Sundlun and Sheila Widnall as Members. March 24, 1978***

The President today announced the appointment of two persons as members of the Board of Visitors to the U.S. Air Force Academy for terms expiring December 30, 1980. They are:

Bruce G. Sundlun, of Providence, R.I., president and chief executive officer of the Outlet Company in Providence, and retired colonel in the U.S. Air Force Reserve.

Sheila Widnall, of Lexington, Mass., associate professor of aeronautical engineering at Massachusetts Institute of Technology.

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *March 20*

The President returned to the White House after a weekend stay at St. Simons Island, Ga.

### *March 21*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- the Democratic congressional leadership;
- Vice President Walter F. Mondale;
- Mayors Lee A. Alexander of Syracuse, N.Y., Henry W. Maier of Milwaukee, Wis., and Richard G. Hatcher of Gary, Ind., members of the Democratic Mayors Conference;
- Secretary of Agriculture Bob Bergland.

President and Mrs. Carter hosted a dinner for Israeli Prime Minister Menahem Begin and his wife in the Residence.

### *March 22*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Frank C. Carlucci, Deputy Director of Central Intelligence, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski;
- Alejandro Orfila, Secretary General of the Organization of American States;
- members of the House International Relations Committee.

The President transmitted to the Congress the annual report of the National Advisory Council on Adult Education for Fiscal Year 1977.

### *March 23*

The President met at the White House with:

- members of the Senate Foreign Relations Committee;
- Secretary of Defense Harold Brown;
- Dr. Brzezinski.

At the invitation of President Carter, President Nicolae Ceausescu of Romania will pay a state visit to Washington April 12–14.

### *March 24*

The President met at the White House with:

- Dr. Brzezinski;
- Vice President Mondale, Secretary of State Cyrus R. Vance, Dr. Brzezinski, and Mr. Jordan;
- Mrs. Carter, for lunch.

The President declared a major disaster for the State of Nebraska as a result of severe storms, ice jams, snowmelt, and flooding, beginning about March 13, which caused extensive public and private property damage.

The President left the White House for a weekend stay at Camp David, Md.

**NOMINATIONS SUBMITTED  
TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

**Submitted March 22, 1978**

DAVID D. NEWSOM, of California, a Foreign Service officer of the Class of Career Minister, to be Under Secretary of State for Political Affairs.

OLIN C. ROBISON, of Vermont, to be a member of the United States Advisory Commission on International Communication, Cultural and Educational Affairs for a term of 1 year (new position).

The following-named persons to be Directors of the Securities Investor Protection Corporation for the terms indicated:

RALPH D. DENUNZIO, of Connecticut, for a term expiring December 31, 1979 (reappointment).

BRENTON H. RUPPLE, of Wisconsin, for a term expiring December 31, 1978, vice Glenn E. Anderson, term expired.

MICHAEL A. TAYLOR, of New York, for a term expiring December 31, 1980, vice Henry W. Meers, term expired.

DANIEL M. FRIEDMAN, of the District of Columbia, to be Chief Judge of the United States Court of Claims, vice Wilson Cowen, retired.

HAROLD H. GREENE, of the District of Columbia, to be United States District Judge for the District of Columbia, vice John J. Sirica, retired.

GUSTAVE DIAMOND, of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania, vice Edward Dumbauld, retired.

DONALD E. ZIEGLER, of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania, vice Rabe F. Marsh, retired.

**NOMINATIONS—Continued**

**Submitted March 23, 1978**

HENRY GELLER, of Virginia, to be Assistant Secretary of Commerce for Communications and Information (new position).

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**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released March 22, 1978**

Announcement: nomination of Gustave Diamond to be United States District Judge for the Western District of Pennsylvania, Harold H. Greene to be United States District Judge for the District of Columbia, and Donald E. Ziegler to be United States District Judge for the Western District of Pennsylvania

**Released March 23, 1978**

Fact sheet: Executive Order 12044, Improving Government Regulations

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved March 21, 1978**

H.R. 8803----- Public Law 95-248  
An act to amend the National Trails System Act, and for other purposes.

S. 773----- Public Law 95-247  
An act authorizing the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes.



# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, March 31, 1978

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## Labor Disputes in the Coal Industry

*Statement Following Mineworkers' Approval of a Contract. March 25, 1978*

I am pleased that the members of the United Mine Workers have voted to approve the latest coal contract. Miners will now be returning to work early next week, and full coal production will resume shortly.

From the outset, we have known that the only satisfactory conclusion to this strike would be a collectively bargained agreement, acceptable to both sides. Over the past 6 weeks, our efforts have been directed toward that end.

With Friday's vote, we have achieved that goal. This Nation has endured a long strike without widespread unemployment or drastic reductions in electric power. Despite many predictions to the contrary, there has been no serious violence.

The contract which was approved on Friday upholds the important principle of industrywide bargaining between the coal operators and the UMW.

The Governors of the States most affected by the strike have displayed great

leadership and cooperation in dealing with its consequences.

I particularly wish to thank the people of the affected regions. Through their conservation efforts, coal demand was reduced and far worse coal shortages averted.

The work of three Federal departments also greatly aided the resolution of this problem. The Department of Labor and the Federal Mediation and Conciliation Service were evenhanded as they facilitated collective bargaining, and the Department of Energy showed great ingenuity and organization as it coordinated the movement of coal to the areas which needed it most.

However, the Government's interest in the coal industry does not end with this contract agreement. I will soon appoint a Presidential Commission on the Coal Industry, a panel which will address the industry's long-term problems.

Friday's agreement, coupled with the work of this Commission, will enable the coal industry to take its rightful place as one of the foundations of our long-term energy strategy.

## Sun Day, 1978

**Proclamation 4558. March 27, 1978**

*By the President of the United States  
of America*

### A Proclamation

Today the need to develop and expand renewable energy sources that can provide heating, cooling and power for homes, farms and factories is greater than at any other time in our Nation's history. For this reason, Americans are seeking ways of using the sun as an inexhaustible source of clean energy.

The Federal government and private organizations are working on programs to improve solar technology and encourage greater use of this safe, environmentally acceptable energy source. Our success, however, will depend upon an informed and involved public.

In order to inform the general public, industry and labor about solar technologies and to demonstrate the sun's potential in meeting America's energy needs, the Ninety-fifth Congress has adopted a joint resolution (H.J. Res. 715) designating Wednesday, May 3, 1978, as Sun Day and calling upon the President to issue a proclamation calling for its appropriate observance.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim Wednesday, May 3, 1978, as Sun Day and call upon the American people to observe that day with appropriate activities and ceremonies that will demonstrate the potential of solar energy. I direct all appropriate Federal agencies to support this national observance.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of March, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
2:43 p.m., March 27, 1978]

## United States Savings Bonds Program

**Memorandum From the President.  
March 27, 1978**

*Memorandum for the Heads of Executive  
Departments and Agencies*

I have appointed Ray Marshall, Secretary of Labor, as Chairman of the Federal Interagency Committee for the purchase of United States Savings Bonds. This is a crucial appointment, because he will be charged with the responsibility for making the government a leader in the Savings Bonds program.

The U.S. Savings Bonds program is a key tool in the management of the public debt. Today Americans own \$77 billion worth of these securities, more than ever before. Savings Bonds constitute nearly one-fifth of the publicly-held portion of the Federal debt, and are the most stable element in the entire debt structure.

The program has also helped individuals save for a financially secure future.

Because the purchase of U.S. Savings Bonds supports the Government's policies and programs in these two important ways, it is fitting that employees of the Federal Government should take the initiative in the purchase of Savings Bonds

through the Payroll Savings Plan and set an example for all Americans in securing their country's future.

The heads of departments and agencies, who make up the Interagency Savings Bonds Committee, have the special responsibility to offer and promote the Payroll Savings Plan to every employee.

I am confident that, under your leadership, the 1978 Federal campaign will attain a new high level of participation. You have my full support in this important endeavor.

JIMMY CARTER

## Absaroka-Beartooth Wilderness in Montana

*Statement on Signing S. 1671 Into Law.  
March 27, 1978*

I am signing into law today S. 1671, which designates the Absaroka-Beartooth Wilderness in the State of Montana.

This act adds 904,500 acres of some of Montana's most rugged and beautiful backcountry alpine lakes, meadows, and mountains to the National Wilderness Preservation System. It is the product of years of work by that tireless and dedicated conservationist, the late Senator Lee Metcalf of Montana. The enactment of this bill fulfills one of his dreams. I want to express my appreciation for the dedication of Senator Metcalf and to his colleagues in the Senate and House of Representatives who have helped make this act possible.

This administration's goal of incorporating the Nation's most deserving areas as wilderness before they are lost forever

moves an important step closer to realization with the enactment of this bill.

NOTE: As enacted, S. 1671 is Public Law 95-249, approved March 27.

## Redwood National Park Expansion Bill

*Statement on Signing H.R. 3813 Into Law.  
March 27, 1978*

I take great pleasure today in signing into law H.R. 3813, which expands the boundaries of the Redwood National Park in California. Enactment of this bill implements one of the recommendations in the environmental message I sent to Congress last year.

This act will permit more people to visit the magnificent groves along Redwood Creek that contain the world's tallest trees and will ensure that those trees are adequately protected. The existing park will be nearly doubled in size by the addition of 48,000 acres of land. Some of the land to be acquired has been damaged by logging operations, and this bill will enable the Secretary of the Interior to restore it to as close to its natural state as possible.

I commend the many supporters of this important legislation. I especially want to thank Representative Phillip Burton and Senator Alan Cranston, both of California, and Senator James Abourezk for their leadership and commitment to the passage of this bill. Thanks also to Secretary Andrus, who made support of this legislation one of the first acts of this administration, and to Senator Clifford Hansen for his help in guiding the bill through the Senate.

At the same time, however, I must express my serious concerns with the extraordinary worker protection provisions contained in H.R. 3813. During the consideration of this bill, this administration repeatedly stated its firm resolve to ensure that the full range of existing Federal assistance benefits would be made available to individuals and communities adversely affected by the park expansion. I believe that in the absence of overriding national policy considerations, all workers who have lost their jobs through no fault of their own should be treated equally by the Federal Government.

While I am signing H.R. 3813 for the purpose of providing needed protection for Redwood National Park, this action in no way constitutes an endorsement by this administration of special worker benefits programs in future legislation.

NOTE: As enacted, H.R. 3813 is Public Law 95-250, approved March 27.

## National Oceanic and Atmospheric Administration

*Nomination of George S. Benton To Be Associate Administrator. March 27, 1978*

The President today announced that he will nominate George S. Benton, of Baltimore, Md., to be Associate Administrator of the National Oceanic and Atmospheric Administration (NOAA). He would replace John Townsend, who has resigned.

Benton was born September 24, 1917, in Oak Park, Ill. He received an S.B. (1942) and Ph. D. (1947) from the University of Chicago.

From 1946 to 1948, Benton taught meteorology at the University of Chicago. From 1948 to 1960, he taught civil engineering at the Johns Hopkins University, and from 1960 to 1966, he was chairman

of the Department of Mechanics and professor of meteorology at Johns Hopkins.

From 1967 to 1969, Benton was an adjoint professor in the Department of Astrogeophysics at the University of Colorado. From 1966 to 1969, he was Director of the Environmental Research Laboratories of the Environmental Science Services Administration (now NOAA) in Denver.

In 1969-70, Benton was chairman of the Department of Earth and Planetary Sciences and professor of meteorology at Johns Hopkins. From 1970 to 1972, he was dean of the Faculty of Arts and Sciences there, and from 1972 until 1977, he was vice president for Homewood Divisions of Johns Hopkins. Since earlier this year, he has been Assistant Administrator of NOAA.

Benton has served as a consultant and has been on numerous academic and government panels and commissions on meteorological subjects.

## Federal Coal Mine Health Activities

*Message to the Congress Transmitting a Report. March 27, 1978*

*To the Congress of the United States:*

I transmit herewith the 1975 Annual Report of Health Activities under the Federal Coal Mine Health and Safety Act of 1969.

I recommend that the statutory reporting requirement for this report be changed from once every year to once every three years. Department of Health, Education, and Welfare staff resources and time could be better spent on more research rather than on the preparation of annual reports of largely repetitious material. Basic information in this field has been known for



some time, and new findings develop only slowly and infrequently. All of the information contained in this report is available to Congress during annual appropriations and oversight hearings, and the Department of Health, Education, and Welfare will inform Congress immediately of any scientific breakthroughs in the field.

JIMMY CARTER

The White House,  
March 27, 1978.

NOTE: The 69-page report is entitled "The Federal Coal Mine Health Program in 1975—Sixth Annual Report of Health Activities Under the Federal Coal Mine Health and Safety Act of 1969."

## Federal Advisory Committees

*Message to the Congress Transmitting a Report. March 27, 1978*

*To the Congress of the United States:*

In accordance with the provisions of Section 6(c) of the Federal Advisory Committee Act, I am transmitting the sixth annual report on the status of Advisory Committees.

This report reflects the results of the 1977 government-wide, zero-base review that I directed be conducted of all advisory committees:

—The total number of committees was reduced to 875 from 1,159 at the end of 1976.

—While some new committees were established during the year, some 333 committees were terminated, and the number was reduced further by 81 as the result of the consolidation of existing committees.

While we recognize the contributions that advisory committees can make, we will continue our efforts to assure, through careful management and review,

that such committees are terminated when they no longer are necessary, and that new committees are established only when they are essential to meet the responsibilities of the Government.

JIMMY CARTER

The White House,  
March 27, 1978.

NOTE: The report is entitled "Federal Advisory Committees—Sixth Annual Report of the President Covering the Calendar Year 1977—March 1978" (Government Printing Office, 182 pages).

## National Urban Policy

*Remarks Announcing the Policy.  
March 27, 1978*

Contrary to any previous reports, the urban policy has come through strong and unscathed. And I come this afternoon to address not recipients of the urban policy, but those of you who participated so deeply and sincerely and effectively in the evolution of it.

Twenty-one months ago in Milwaukee, I pledged to the United States Conference of Mayors that if I became President, the cities of our country would have a friend, an ally, and a partner in the White House.

Today I want to affirm that friendship, to cement that alliance, and to give form and substance to that partnership.

I'm convinced that it is in our national interest not only to save our cities and urban communities but also to strengthen them and to make them more attractive places in which to live and to work.

The policy that is embodied in the message that I'm sending to Congress today is designed to marshal the immense resources of America in a long-term commitment to pursue that goal. It is a comprehensive policy, aimed both at making our cities healthier and at improving the lives of the people who live in them.

The deterioration of urban life in the United States is one of the most complex and deeply rooted problems of our age. The Federal Government has a clear duty to lead the effort to reverse that deterioration, and I intend to provide the leadership.

But Federal efforts alone will never be enough. Everyone in this land has a personal stake in the health of our urban places. In the complex web of economic, social, and cultural relationships which holds our society together, none of us are immune from the distress of others. If we are to preserve the special values of urban, suburban, and rural life, we must recognize that those values are interdependent. To a greater extent than ever before, the future of our cities and the destiny of our Nation are joined.

I believe that this link is now recognized by almost every American. Yet, throughout most of our history, America has been ambivalent about our cities.

Reflecting these conflicting attitudes, direct Federal involvement in urban affairs has followed a kind of seesaw pattern. In formulating this new policy, we've had the benefit of past experience.

From the experience of the urban renewal program of the 1950's, we learned to be skeptical about what Reinhold Niebuhr called the "doctrine of salvation through bricks"—the idea that we can bulldoze away our urban problems.

From the experience of the Great Society in the 1960's and during more recent years, we learned—despite many successes—that we can succeed only if all levels of government work together with private citizens and interests in a fairly and fully coordinated way toward common goals.

The time has come to put an end to these abrupt swings of policy and to replace them with the kind of long-range urban policy that I promised in Milwau-

kee—"a coherent national urban policy that is consistent, compassionate, realistic, and that reflects the decency and the good sense of the American people."

We must acknowledge the value of our urban communities. This value includes a physical plant that must not be allowed to deteriorate any further—trillions of dollars invested in buildings, houses, streets and roads, transit systems, water and sewage systems, factories, offices, parks.

Even more important is the social value of cities to those who live in them and to the rest of those who live close to them—their services as centers of culture, entertainment, finance; the enormous variety of human exchange that's possible there; their creativity and their contribution to our common life; and the role they've always played as homes for people of all kinds and all circumstances who are searching for the American dream of opportunity.

Yet many of these communities and the people who live in them are in distress, and others face future hardship if we fail to act.

Today I call on all of you and the institutions and groups that you represent to join me in building a new partnership to conserve our communities—a working alliance of all levels of government, with the private sector of our economy and with our citizens in their communities and neighborhoods.

Are you willing to help? [*Applause*]

In spite of some beliefs that have been expressed around this particular home, mayors hold the most difficult public offices in our land. [*Laughter*] It's time that the rest of us fully support their efforts to ensure that our cities will not merely survive but prosper.

This new partnership offers no quick nor easy solutions. No such solutions exist. But it does give us the tools to build the

kind of creative alliance that can produce long-term solutions. This is a tough, no-nonsense program, based on efficiency, effectiveness, and cooperation.

The new partnership is guided by these principles: simplifying and improving existing programs and policy; combining the resources of Federal, State, and local government and using them as a lever to involve the much greater strength of our private economy to conserve and strengthen our cities and communities; being flexible enough to give help where it's most needed and to respond to changing circumstances and the particular needs of each individual and different community; increasing access to opportunity for those who are disadvantaged in a special way by economic circumstances or by a history of discrimination; and, above all, drawing on the sense of community and the volunteer effort that I believe is still alive in America and on the loyalty that Americans feel for their own homes and their own neighborhoods.

The Federal contribution to the new partnership is a long-term commitment, involving three major areas of activity: first, the very substantial increases we've made and are making in programs that directly benefit urban communities; second, the reorientation of Federal activities to make certain that they support our urban goals; and third, new initiatives to help urban communities fiscally and economically and to help their people meet human and social needs.

This administration has been committed to the future of urban America ever since the first day that I took office. That's why we did not wait until the formal announcement of a national urban policy to strengthen existing programs and to initiate new ones that are crucial to that policy. The Congress, represented well

here today, has cooperated enthusiastically.

Total assistance—in just 2 years—to State and local governments has already been increased by 25 percent, from \$68 billion to \$85 billion. We've had major improvements in such urban-related programs as the Community Development Block Grant program and the new Urban Development Action Grant program and urban education. I proposed a doubling in our expenditures for employment and training to over \$12 billion in 1979, and we have already increased the number of public service jobs by 150 percent. We added 4.1 million new jobs last year.

In many of these programs, we are enlarging the share that's provided to cities and to urban areas. And I've asked for the abolition of the present disastrous welfare system and its replacement with a fair and workable Better Jobs and Income program that will provide immediate fiscal relief to State and local governments.

But increases in spending cannot be a substitute for effectiveness overall, nor are they the sole measure of the depth or extent of our commitment.

For those who live in our urban areas, the gravest flaw in past Federal policy was not that we failed to spend money; it was that too many of the programs were ineffective, and too many that did work had their benefits canceled by other conflicting Federal and State activities.

In developing this national urban policy, we took a long, hard look at the work of every single major department in the Federal Government. In the process, agencies ranging from the Defense Department to the General Services Administration have been made more sensitive to urban concerns. This is the beginning of a long-term change in the attitude of the entire Government bureaucracy toward urban communities.

Our review generated a large number of proposals for changes in existing programs. Some will require legislation; most of them can be done through immediate administrative action. There are more than 150 of them. Let me mention just three or four.

All agencies will develop goals and timetables for minority participation in their grants and contracts. Five major agencies have already taken such action.

The Defense Department will set up a new program to increase purchases in urban areas.

The Environmental Protection Agency will modify its water and sewer programs to discourage wasteful sprawl.

The General Services Administration will retain facilities in downtown urban areas and will also put new ones there.

If the kind of review that led to these changes had been done on a regular basis in the past, our urban problems would be much less severe today.

As a key component part of the comprehensive urban policy, I'm establishing a continuing mechanism, involving many of you, to analyze the effects of new Federal policies and programs on our communities. Once that mechanism is in place, analysis of the urban and regional impact of new programs will be an integral and a permanent part of all policy development throughout our Government.

I believe that this reorientation of Federal activities, to take account of the needs of other communities, will be as significant as any action the Federal Government could take.

But even with substantial increases and improvements in existing programs, gaps still remain. The new initiatives that I am proposing today—\$4.4 billion in budget authority, \$1.7 billion in new tax incentives, and \$2.2 billion in loan guarantees—are designed precisely to fill those gaps.

To make government at all levels more efficient, I propose incentives to cities with coordinated economic development plans, a simplification of planning requirements, and a new coordinating mechanism for Federal programs.

To help relieve the distress of the most fiscally strained communities—replace the expiring countercyclical aid program with a new fiscal assistance program targeted on those communities with the highest unemployment rate.

To encourage the States to channel additional resources into their own distressed areas—a new incentive grant program.

To provide increased opportunities for our unemployed—a new employment tax credit to encourage private industry to hire jobless young people, whose plight is among the most serious human problems of our whole society, and a new program to encourage private industry, a new partnership with mayors, to hire and to train more disadvantaged workers.

To strengthen the economic base of cities—major incentives to private investment in urban areas through increased and affordable credit from a new National Development Bank, expanded grants, and a new tax incentive, and an innovative program of labor-intensive public works, aimed at repairing and rehabilitating the existing facilities in our urban communities.

An inner-city health and social service initiative, together with expanded support for mass transit, housing rehabilitation, and urban parks and recreation initiative, and a new arts and cultural program will promote community and human development and preserve historic buildings in our urban areas.

And to marshal the thousands of Americans who want to contribute their time and energy to the betterment of their own neighborhoods, I'm proposing neighbor-

hood rehabilitation and anticrime projects and a new Urban Volunteer Corps.

All of us recognize, again, that the Federal Government does not have the resources by itself to do the job. We are ready to provide the leadership, the commitment, and the incentives which will encourage all sectors of our country to rebuild and to maintain the quality of America's communities.

Only through unprecedented consultation and cooperation has this urban policy been evolved. Thousands of government officials and private citizens have worked for many months to reach this goal, and now this same mutual effort can ensure success in implementing the proposals.

This job will not be done overnight. Problems which have built up over generations cannot be reversed in a year or even in a term of a President or a Senator. But let there be no doubt that today marks the turning point. For today, we commit the Federal Government to the long-term goal of making America's cities more attractive places in which to work and to live, and helping the people who live in them lead happier and more useful lives. With your help we will not fail.

Thank you very much.

NOTE: The President spoke at 4 p.m. to a group of Federal, State, and local officials in the East Room at the White House.

## National Urban Policy

*Message to the Congress. March 27, 1978*

*To the Congress of the United States:*

I submit today my proposals for a comprehensive national urban policy. These proposals set a policy framework for actions my Administration has already taken, for proposed new initiatives, and for our efforts to assist America's com-

munities and their residents in the years to come. The policy represents a comprehensive, long-term commitment to the Nation's urban areas.

The urban policy I am announcing today will build a *New Partnership* involving all levels of government, the private sector, and neighborhood and voluntary organizations in a major effort to make America's cities better places in which to live and work. It is a comprehensive policy aimed both at making cities more healthy and improving the lives of the people who live in them.

The major proposals will:

- Improve the effectiveness of existing Federal programs by coordinating these programs, simplifying planning requirements, reorienting resources, and reducing paperwork. And the proposals will make Federal actions more supportive of the urban policy effort and develop a process for analyzing the urban and community impact of all major Federal initiatives.

- Provide employment opportunities, primarily in the private sector, to the long-term unemployed and the disadvantaged in cities. This will be done through a labor-intensive public works program and tax and other incentives for business to hire the long-term unemployed.

- Provide fiscal relief to the most hard-pressed communities.

- Provide strong incentives to attract private investment to distressed communities, including the creation of a National Development Bank, expanded grant programs and targeted tax incentives.

- Encourage States to become partners in assisting urban areas through a new incentive grant program.

- Stimulate greater involvement by neighborhood organizations and voluntary associations through funding neigh-

neighborhood development projects and by creating an Urban Volunteer Corps. These efforts will be undertaken with the approval of local elected officials.

- Increase access to opportunity for those disadvantaged by economic circumstance or a history of discrimination.

- Provide additional social and health services to disadvantaged people in cities and communities.

- Improve the urban physical environment and the cultural and aesthetic aspects of urban life by providing additional assistance for housing rehabilitation, mass transit, the arts, culture, parks and recreation facilities.

America's communities are an invaluable national asset. They are the center of our culture, the incubators of new ideas and inventions, the centers of commerce and finance, and the homes of our great museums, libraries and theatres. Cities contain trillions of dollars of public and private investments—investments which we must conserve, rehabilitate and fully use.

The New Partnership I am proposing today will focus the full energies of my Administration on a comprehensive, long-term effort. It will encourage States to redirect their own resources to support their urban areas more effectively. It will encourage local governments to streamline and coordinate their own activities. It will offer incentives to the private sector to make new investments in economically depressed communities. And it will involve citizens and neighborhood and voluntary organizations in meeting the economic and social needs of their communities.

The New Partnership will be guided by these principles:

- Simplifying and improving programs and policy at all levels of government.

- Combining the resources of Federal, State and local government, and using them as a lever to involve the even greater strength of our private economy to conserve and strengthen our cities and communities.

- Being flexible enough to give help where it is most needed and to respond to the particular needs of each community.

- Increasing access to opportunity for those disadvantaged by economic circumstances or history of discrimination.

- And above all, drawing on the sense of community and voluntary effort that I believe is alive in America, and on the loyalty that Americans feel for their neighborhoods.

The need for a New Partnership is clear from the record of the last fifteen years. During the 1960's, the Federal government took a strong leadership role in responding to the problems of the cities. The Federal government attempted to identify the problems, develop the solutions and implement the programs. State and local governments and the private sector were not sufficiently involved. While many of these programs were successful, we learned an important lesson: that the Federal government alone has neither the resources nor the knowledge to solve all urban problems.

An equally important lesson emerged from the experience of the early 1970's. During this period, the Federal government retreated from its responsibilities, leaving States and localities with insufficient resources, interest or leadership to accomplish all that needed to be done. We learned that States and localities cannot solve the problems by themselves.

These experiences taught us that a successful urban policy must build a partnership that involves the leadership of the Federal government and the participation of all levels of government, the private

sector, neighborhood and voluntary organizations and individual citizens.

#### PRIOR ACTIONS

The problems of our Nation's cities are complex and deep-seated. They have developed gradually over a generation as a result of private market and demographic forces and inadvertent government action; and the problems worsened markedly during the early 1970's.

These problems will not be solved immediately. They can be solved only by the long-term commitment which I offer today, and by the efforts of all levels of government, the private sector and neighborhood and voluntary organizations.

For my Administration, this commitment began on the day I took office and it will continue throughout my Presidency. With the cooperation of Congress, my Administration has already provided substantial increases in funding in many of the major urban assistance programs. Total assistance to State and local governments has increased by 25 percent, from \$68 billion in FY 1977 to \$85 billion in FY 1979. These increases are the direct result of actions we have taken during the past 14 months. They are as much a part of my Administration's urban policy as the initiatives which I am announcing today. Some of the most important programs have already been enacted into law or proposed to the Congress. These include:

- A \$2.7 billion increase over three years in the Community Development Block Grant Program, accompanied by a change in the formula to provide more assistance to the older and declining cities.

- A \$400 million a year Urban Development Action Grant Program providing assistance primarily to distressed cities.

- An expansion of youth and training programs and an increase in the number

of public service employment jobs, from 325,000 to 725,000. Expenditures for employment and training doubled from FY '77 to FY '79 to over \$12 billion.

- A \$400 million private sector jobs proposal has been included in my proposal to reauthorize the CETA legislation. This initiative will encourage private businesses to hire the long-term unemployed and the disadvantaged.

- A sixty-five percent increase in grants provided by the Economic Development Administration to urban areas.

- A thirty percent increase in overall Federal assistance to education, including a \$400 million increase in the Elementary and Secondary Education Act, targeted in substantial part to large city school systems with a concentration of children from low-income families.

- An economic stimulus package enacted last year, (Anti-Recession Fiscal Assistance, Local Public Works and CETA) which provided almost \$9 billion in additional aid to States and cities.

- A welfare reform proposal which, upon passage, will provide immediate fiscal relief to State and local governments.

- A doubling of outlays for the Section 312 housing rehabilitation loan program.

- Creation of a consumer cooperative bank which would provide financing assistance to consumer cooperatives which have difficulty obtaining conventional financing.

#### IMPROVEMENTS IN EXISTING PROGRAMS

The Administration's Urban and Regional Policy Group (URPG) has examined all of the major urban assistance programs and proposed improvements. It also has worked with agencies traditionally not involved in urban policy, such as the Defense Department, the

General Services Administration, and the Environmental Protection Agency, and has developed proposals to make their actions more supportive of urban areas. As a result of this massive effort, the Federal government has become more sensitive to urban problems and more committed to their solutions.

The review of existing Federal programs has resulted in more than 150 improvements in existing programs. Most of these improvements can be undertaken immediately through administrative action. Some will require legislation. None will increase the Federal budget.

A few examples of the improvements are:

- All agencies will develop goals and timetables for minority participation in their grants and contracts—five major agencies have already begun.

- The Defense Department will set up a new program to increase procurement in urban areas.

- EPA will modify its water and sewer program to discourage wasteful sprawl.

- HUD has retargeted the Tandem Mortgage Assistance Program to provide greater support for urban housing.

- The existing countercyclical fiscal assistance program will be retargeted to help governments with unemployment rates above the national average.

- HUD and EDA are developing common planning and application requirements.

- The General Services Administration will attempt to locate Federal facilities in cities whenever such a location is not inconsistent with the agency's mission.

- The Department of Transportation has proposed legislation to consolidate many categories of urban highway and transit grants, and to standardize the local matching share. These steps will provide local governments with greater

flexibility to develop transportation systems suited to their needs.

- The Environmental Protection Agency will amend its regulations to accommodate new economic development in high pollution areas. Localities will be permitted to "bank" reductions in pollution which result from firms going out of business. These reductions then can be transferred to new firms locating in the community.

The effect of all these changes may be greater than even the substantial new initiatives which I have proposed in this message.

#### NEW INITIATIVES

The new initiatives which I am announcing today address five major urban needs:

- 1) Improving the operation of Federal, State and local governments
- 2) Employment and Economic Development
- 3) Fiscal Assistance
- 4) Community and Human Development
- 5) Neighborhoods and Voluntary Associations

These initiatives require \$4.4 billion in budget authority, \$1.7 billion in new tax incentives, and \$2.2 billion in guaranteed loan authority in FY 1979. For FY 1980 the budget authority will be \$6.1 billion, the tax incentives \$1.7 billion and the guaranteed loan authority \$3.8 billion.

#### I. IMPROVING THE OPERATION OF FEDERAL, STATE AND LOCAL GOVERNMENTS

##### *Federal Programs*

Over the long run, reorganization of the economic and community development programs may be necessary. Last June, I directed my reorganization project staff in the Office of Management and Budget to begin exploring the reorganiza-



tion options. They have completed the first stages of this work. During the next several months, they will consult with the Congress, State and local officials and the public to develop the best solution.

There are several actions I will take immediately.

- *Urban and Community Impact Analysis*

I am implementing a process through my Domestic Policy Staff (DPS) and Office of Management and Budget (OMB) to ensure that we do not inadvertently take actions which contradict the goals of the urban policy. Each agency submitting a major domestic initiative must include its own urban and community impact analysis. DPS and OMB will review these submissions and will ensure that any anti-urban impacts of proposed Federal policies will be brought to my attention.

- *Interagency Coordinating Council*

To improve program coordination, I will form an Interagency Coordinating Council, composed of the Assistant Secretaries with major program responsibilities in the key urban departments. The Council will have two functions:

It will serve as a catalyst for operational improvements which cut across Departments (for example, instituting uniform grant applications) ; and it will encourage interagency cooperation on projects which are too large or too complex to be funded by one agency. This Council will, for the first time, provide a coordinated Federal response to communities which develop comprehensive and multi-year projects. It will have direction from the Executive Office of the President.

- *Consolidating Planning Requirements and Other Management Improvements*

We soon will announce the consolidation of intra-agency planning require-

ments. I have asked the Director of the Office of Management and Budget to direct an interagency task force to improve the management of Federal grant-in-aid programs and consolidate the numerous planning requirements in the community and economic development grant programs.

- *Improved Data and Information*

I have asked the Secretary of Commerce, in her capacity as Chair of the Statistical Policy Coordination Committee, to design an improved urban data and information system. At the present time much of this data is inadequate or out of date.

### *The Role of State Governments*

State government policies, even more than Federal policies, are important to the fiscal and economic health of cities. States affect their cities in a number of ways, including setting taxation and annexation powers, determining the placement of major development investments and apportioning the financial responsibility for welfare and education expenditures.

The Federal government has little or no control over these developments, all of which clearly affect the economic and fiscal health of cities and communities.

These State responsibilities underscore the need for an urban policy which includes the States as full and equal partners. The effectiveness of our urban policy will be enhanced if the States can be encouraged to complement the Federal effort.

To encourage States to support their urban areas, I will offer a new program of State incentive grants. These grants will be provided, on a discretionary basis, to States which adopt approved plans to help their cities and communities. The plans must be developed with the par-

ticipation and approval of communities within the State. The grants will be provided to the States to finance a portion of the plan. The State Incentive Grant Program will be administered by HUD and will provide \$400 million over two years.

#### *Local Government Role*

Many communities and cities can improve management and planning improvements by reforming fiscal management practices, streamlining local regulatory procedures, and coordinating local community and economic development activities.

The Federal government provides planning and technical assistance to communities through HUD and Commerce to help cities improve their management and planning practices. These funds will be used increasingly to build the local government's capacity to undertake the necessary fiscal and management reforms.

The Federal government will offer special consideration in discretionary programs to cities which achieve coordinated action at the local level.

## II. EMPLOYMENT AND ECONOMIC DEVELOPMENT

There is a serious shortage of jobs for many residents of our urban areas and a lack of investment to build the tax base of our cities.

The urban policy will address this issue in two ways.

In the short run, it will provide additional employment opportunities through a labor-intensive public works program, a targeted employment tax credit, and a private sector training and jobs initiative to encourage businesses to hire the hardcore unemployed, together with the extension I have already proposed in employment and training opportunities under the CETA Act.

In the long run, the policy attempts to rebuild the private sector economic base of these communities through a National Development Bank, a special tax incentive, an increase in economic development grants and other incentives.

#### *Labor-intensive Public Works*

I ask Congress for \$1 billion a year for a program of labor-intensive public works, targeted on communities with high unemployment. Half of the estimated 60,000 full-time equivalent jobs created annually by this program will be reserved for the disadvantaged and the long-term unemployed. These workers will be paid at Davis-Bacon trainee wage levels.

This program will enable cities to make needed repairs on buildings, streets, parks, and other public facilities.

In contrast to the Local Public Works program—which involves projects requiring large equipment, material expenditures and a prolonged planning period—more of the funds under this labor-intensive program will go to job creation.

#### *Targeted Employment Tax Credit*

I also propose a Targeted Employment Tax Credit to encourage business to hire disadvantaged young workers between the ages of 18 and 24 who suffer the highest unemployment rates in the Nation.

Under my proposal, private employers of young and disadvantaged, or handicapped, workers would be entitled to claim a \$2,000 tax credit for each eligible worker during the first year of employment and a \$1,500 credit for each eligible worker during the second year.

I am proposing this Targeted Employment Tax Credit as a substitute for the expiring Employment Tax Credit. The current program costs \$2.5 billion a year and has had little influence on hiring decisions. The Administration's targeted pro-

gram will cost approximately \$1.5 billion a year, with far greater impact.

*Location of Federal Facilities*

I will sign a new Executive Order directing the General Services Administration to give first priority to cities in locating new Federal facilities or consolidating or relocating existing facilities. Under my Administration, Federal facilities will be located in cities, unless such a location is inconsistent with the agency's mission.

Federal buildings and facilities can be an important source of jobs and of rental payments and, in many cities, a principal stabilizing force preventing decline.

The Federal government should set an example for the private sector to invest in urban areas.

*Federal Government Procurement*

To assure that Federal procurement is used to strengthen the economic base of our Nation's cities and communities, I will:

- strengthen the implementation of the existing procurement set-aside program for labor surplus areas, by directing the General Services Administration to work with each agency to develop specific procurement targets and to monitor their implementation. GSA will report to me every six months on the progress of each Agency;

- direct the Defense Department to implement an experimental program to target more of its procurement to high unemployment areas.

*National Development Bank*

I propose the creation of a National Development Bank, which would encourage businesses to locate or expand in economically distressed urban and rural areas. The Bank would be authorized to guarantee investments totaling \$11 billion through 1981.

To lower operating costs in urban areas, the Bank would provide long-term, low-cost financing which, in conjunction with expanded grant programs administered by HUD and EDA, will reduce a firm's financing costs by up to 60 percent.

The Bank uses four major financing tools:

- Grants of up to 15 percent of a firm's total capital cost, to a maximum \$3 million, for fixed assets of a project. The grants, which would be made under expanded EDA and HUD authorities, would cover expenditures for land assembly, site preparation, rehabilitation, and equipment.

- Loan guarantees, provided by the Bank to cover three-quarters of the remaining capital costs up to a maximum of \$15 million per project. The Bank could, at its discretion, reduce the interest rate down to two and one-half percent for particularly desirable projects. Bank financing would be conditioned on obtaining 21 percent of the project's total costs from private lenders.

- The ceiling for industrial reserve bonds in economically distressed areas would be increased from \$5 to \$20 million with the approval of the Bank. A business which used this financing for a project could also receive a grant.

- The Bank also will provide a secondary loan market for private loans in eligible areas to finance capital expenditures. This will be particularly beneficial to small businesses.

Bank projects will require the approval of State or local government economic development entities, which would be responsible to the elected local leadership. Distressed urban and rural areas would be eligible. Additional employment would be a key test of project eligibility.

The Bank will be an interagency corporation, governed by a Board composed of the Secretaries of HUD, Commerce

and the Treasury. This will ensure coordination between the major economic, community development and urban finance agencies of the government.

The Office of Management and Budget is currently assessing the organization of the Federal economic and community development activities. The Bank will function on an interagency basis pending recommendations in this area.

#### *Economic Development Grants*

I propose substantial increases of \$275 million each in the UDAG grant program and the EDA Title IX program. These increases will be used in conjunction with the financing incentives available from the National Development Bank.

Taken together these major increases will help leverage substantial new private sector investment in urban areas and address the long-term economic deterioration experienced by certain urban and rural areas.

#### *Differential Investment Tax Credit*

I propose that firms that locate or expand in economically distressed areas be eligible for a differential 5 percent investment tax credit, to a total of 15 percent for both structures and equipment. The credit would be available only to firms awarded "Certificates of Necessity" by the Commerce Department based on financing need and employment potential.

Commerce will be authorized to issue up to \$200 million in certificates for each of the next two years.

#### *Air Quality Planning Grants*

I propose a \$25 million planning grant program to help cities and communities comply with the Clean Air Act without limiting severely new, private sector investment within their areas.

I have also asked EPA, HUD and EDA to provide technical assistance to help

local governments reconcile potential conflicts between air pollution and economic development goals.

#### *Minority Business*

Minority businesses are a critical part of the private sector economic base of many cities, communities and neighborhoods, and provide important employment opportunities to city residents.

I propose today two important initiatives which will increase the role of minority businesses in our economy. First, in comparison with FY 1977 levels, we will triple Federal procurement from minority businesses by the end of FY 1979—an increase over our earlier commitment to double minority procurement.

In addition, I intend to ask all Federal agencies to include goals for minority business participation in their contract and grant-in-aid programs. Five agencies—HUD, Commerce, EPA, Interior and DOT—already have proposed improvements in minority business programs. These programs all build on our successful experience with the Local Public Works Program.

Finally, I intend to facilitate greater interaction between the minority business community and the leaders of our Nation's largest corporations.

#### *Community Development Corporations*

I propose that an additional \$20 million be appropriated to the Community Services Administration as venture capital for the most effective Community Development Corporations. This assistance will help them have a substantial impact on their designated areas.

The funding will be made available for projects that receive support from local elected officials, involve leveraging private sector funds and are coordinated

with HUD, EDA or the Small Business Administration.

*Role of Private Financial Institutions*

An effective urban strategy must involve private financial institutions. I am asking the independent financial regulatory agencies to develop appropriate actions, consistent with safe, sound and prudent lending practices, to encourage financial institutions to play a greater role in meeting the credit needs of their communities.

First, I am requesting that financial regulatory agencies determine what further actions are necessary to halt the practice of redlining—the refusal to extend credit without a sound economic justification. I will encourage those agencies to develop strong, consistent and effective regulations to implement the Community Reinvestment Act.

Second, I propose the creation of an Institute for Community Investment, under the Federal Home Loan Bank Board. The Institute will bring together appraisers, realtors, lenders, building and insurance companies to develop a consistent approach toward urban lending and to train urban lending specialists.

Third, I propose a pilot program to create Neighborhood Commercial Reinvestment Centers under the Comptroller of the Currency. This proposal is an adaptation of the highly successful Urban Reinvestment Task Force housing credit concept to the commercial credit area. Neighborhood Commercial Reinvestment Centers will be local organizations, comprised of merchants and neighborhood residents, local government officials, and commercial banks which will provide business credit in urban neighborhoods. SBA, EDA, and HUD will work with the financial regulatory agencies to revitalize specific commercial areas.

Finally, I have asked the Secretary of Housing and Urban Development to chair an interagency task force to evaluate the availability of credit in urban areas and recommend appropriate further action. I have asked the task force to examine and make recommendations with respect to the following areas:

- The availability of mortgage and commercial credit in urban areas, and the impacts of the activities of Federal agencies on such credit;
- Existing mortgage insurance, casualty insurance and business credit insurance programs;
- The full range of urban credit and insurance risk reduction techniques.

III. FISCAL ASSISTANCE

While the fiscal condition of many State and local governments has improved dramatically over the last three years, many cities and communities still are experiencing severe problems. These cities and communities require fiscal assistance from the Federal government, if they are to avoid severe service cutbacks or tax increases.

*Supplemental Fiscal Assistance*

Cities and communities currently receive fiscal assistance through the Anti-Recession Fiscal Assistance Act (ARFA), which expires on September 30, 1978. This program has been an effective tool for helping States and local governments withstand the fiscal impact of high unemployment.

Current unemployment projections, however, suggest that even if the ARFA program were extended in its current form, it would phase out by mid-FY 1979, when unemployment is expected to drop below six percent. If the program is permitted to phase out, many cities and communities will experience severe fiscal strain.

I propose today that ARFA be replaced with a Supplemental Fiscal Assistance Program, which will provide \$1 billion of fiscal assistance annually for the next two fiscal years to local governments experiencing significant fiscal strain. Further extension of this program will be considered together with General Revenue Sharing.

#### *Fiscal Relief in Welfare Proposal*

In addition, I propose to phase in the fiscal relief component of the Better Jobs and Income Act as soon as Congress passes this legislation, rather than in 1981 as originally planned.

#### IV. COMMUNITY AND HUMAN DEVELOPMENT

A comprehensive program to revitalize America's cities must provide for community and human needs. This involves both physical facilities, such as parks, recreation facilities, housing and transportation systems, and the provision of health and social services.

#### *Housing Rehabilitation*

The conservation and upgrading of our housing stock is important to maintaining the strength of urban areas. Housing rehabilitation improves the quality of community life and provides construction jobs in areas of high unemployment.

I propose an additional \$150 million in FY 1979 for the Section 312 rehabilitation loan program, which will more than double the existing program. This expanded effort will permit the rehabilitation of small multi-family housing projects in distressed neighborhoods.

#### *Urban Transportation*

In many cities, public transportation is inadequately financed. The Federal government has begun to make substantial investments to rehabilitate, revitalize and construct urban transportation systems.

I have already submitted to Congress my proposals to extend and strengthen the highway and mass transit programs.

To supplement these efforts I today propose an additional \$200 million for capital investments in intermodal urban transportation projects. These funds will be used to link existing transportation facilities in selected cities.

#### *Resource Recovery Planning*

Solid waste disposal is a growing problem in the many urban areas which face a shortage of landfill sites. At the same time, techniques to recover valuable resources and energy from solid waste have emerged.

I will request \$15 million for the EPA to provide grants of \$300,000 to \$400,000 to cities for feasibility studies of solid waste recovery systems.

#### *Arts and Culture*

Cities are centers of culture and art, which thrive on the vitality of the urban environment.

To help renew and develop this artistic and cultural spirit, I propose a new Livable Cities program administered by the Department of Housing and Urban Development, with the participation of the National Endowment for the Arts. This program will provide up to \$20 million in grants to States and communities for neighborhood- and community-based arts programs, urban design and planning, and the creation and display of art in public spaces. Historic preservation of buildings should also be encouraged.

#### *Urban Parks and Recreation*

The quality of life in urban areas is critically affected by the availability of open spaces and recreation facilities. Yet hard pressed communities often lack the resources to maintain and invest adequately in these amenities.

To address this problem, I propose a major new Federal grant program. Urban communities will compete for funds to revive and rebuild parks and recreation facilities. Challenge grants totalling \$150 million will be provided for construction and major rehabilitation of urban recreation systems, such as parks, tennis and basketball courts, swimming pools, bicycle paths, and other facilities. Cities will be awarded grants based on the quality of their planning, the degree of need and their ability to match the Federal funds with private and local contributions.

#### *Social Services*

Urban revitalization efforts must be accompanied by efforts to help those in need to improve their own lives. A variety of income support and social service programs are designed to do this. Since 1974, however, the support given to State social service programs by the Federal government has declined in real terms.

I propose an additional \$150 million of new budget authority for the Title XX program. These funds will be used to improve the delivery of social services in urban areas—ranging from Meals on Wheels for the elderly to day care for children of working mothers—and to develop greater coordination between local, public and private agencies.

#### *Health Services*

Nearly 50 million Americans live in areas without adequate health services. These areas, many of which are in inner cities, suffer from higher infant mortality rates, greater poverty and shortages of health care personnel.

In underserved areas, emergency room and outpatient departments of city hospitals are used as the routine source of medical care by the poor, primarily due to the lack of private physicians. As these departments were not designed to provide comprehensive medical care, the hospital

resources are strained and the poor often go without adequate care.

To help meet the primary health care needs of the urban poor and reduce the strain on city hospitals, I propose to expand federally-supported Community Health Centers and to fund city-sponsored programs which provide comprehensive, but less costly, primary care services. The city-sponsored programs will enroll the medically indigent in existing health systems, such as HMOs. They also will help expand locally-supported centers, reform hospital outpatient departments and provide comprehensive health services.

#### *Education*

Schools are the focus of community activities in many places. Yet they are seldom fully used or linked to other community and social services.

I intend to provide \$1.5 million to expand the experimental Cities in Schools program which seeks to bridge the gap by uniting a number of social services within schools to better serve both students and their families. We intend to expand this promising new program to 10 pilot schools.

In addition, I urge the Congress to enact the \$600 million increase in the Title I program of the Elementary and Secondary Education Act, which I recently proposed, including my recommendation that \$400 million of these funds be targeted to cities and other areas with high concentrations of low-income families.

#### V. NEIGHBORHOODS AND VOLUNTEER ORGANIZATIONS

No resource of our urban communities is more valuable than the commitment of our citizens.

Volunteer groups, which gain strength from the selfless efforts of many individ-

uals, make an indispensable contribution to their cities.

#### *Urban Volunteer Corps*

I propose a \$40 million program in ACTION to increase the effectiveness of voluntary activities at the local level. With the agreement of local government, the program will create a corps of volunteers at the local level and match their skills with the needs of local governments and community and neighborhood organizations.

It also will provide small grants averaging \$5,000 for voluntary improvement and beautification projects.

ACTION would select, with the concurrence of local government, a lead agency in each city to administer the Urban Volunteer Corps.

#### *Self-Help Development Program*

Neighborhood associations are playing a key role in housing and neighborhood revitalization. We must strengthen that role.

I will request \$15 million in FY 1979 for a self-help development program to be administered by the Office for Neighborhoods in HUD.

This new program will provide funds for specific housing and revitalization projects in poor and low-income areas. Each project would involve the participation of local residents, the private sector and local government and would require the concurrence of the mayor.

#### *Crime Prevention*

Street crime is a serious problem in America's cities and communities. Over the last few years a number of promising initiatives have been undertaken by community groups and local law enforcement agencies to combat street crime. Escort services for the elderly, centers to help the

victims of crime, and neighborhood watchers are examples of promising developments.

I propose a program which will add \$10 million in new resources to existing efforts in the Law Enforcement Assistance Administration for a program operated jointly by ACTION and LEAA. Under this program, mayors and local neighborhood groups will develop community crime prevention programs based on successful pilot models. My reorganization proposals for LEAA and the legislation I will submit to extend the Law Enforcement Assistance Act will strengthen our efforts at crime prevention.

#### *Community Development Credit Unions*

Some urban communities are not served by any financial institutions. Community Development Credit Unions address this problem by investing their assets in the communities in which they are established. This type of credit union was first established under the poverty programs in the 1960's. About 225 exist today, and many are the only financial institutions in their communities.

I am proposing a \$12 million program to provide \$200,000 seed capital for new Community Development Credit Unions, to provide them with an operating subsidy for staff, training and technical assistance.

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The job of revitalizing the urban communities of our country will not be done overnight. Problems which have accumulated gradually over generations cannot be solved in a year or even in the term of a President.

But I believe that a New Partnership—bringing together in a common effort all who have a stake in the future of our communities—can bring us closer to our long-term goals. We can make America's cities more attractive places in which to



live and work; we can help the people of urban America lead happier and more useful lives. But we can only do it together.

JIMMY CARTER

The White House,  
March 27, 1978.

## Defense Economic Adjustment Programs

*Executive Order 12049. March 27, 1978*

By virtue of the authority vested in me as President by the Constitution of the United States of America, in order to provide coordinated Federal economic adjustment assistance necessitated by changes in Department of Defense activities, it is hereby ordered as follows:

### SECTION 1. *Functions of the Secretary of Defense.*

(a) The Secretary shall, through the Economic Adjustment Committee, design and establish an Economic Adjustment Program to assist in the alleviation of serious economic and social impacts that result from major Defense realignments. The program shall provide for:

1. Identification of Defense-related impact problems of States, metropolitan areas, or communities that require assistance.

2. Preparation of development strategies and action plans to coordinate Federal, State and local economic adjustment efforts.

3. Strengthened and uniform economic impact analysis and analysis of community requirements for Federal economic adjustment resources, prior to base realignment action.

4. Timely and earliest possible consultation and cooperation with local,

State and Federal officials concerning impact problems and coordinated inter-agency and intergovernmental adjustment assistance.

5. A clearinghouse service to exchange information among Federal, State and local officials involved in the resolution of community adjustment problems; e.g., previous studies, technical information, and sources of public and private financing.

6. Application of consistent policies, practices, and procedures in the administration of Federal programs that are utilized to assist Defense impact communities.

7. Encouragement of effective State and regional cooperation and concerted involvement of public interest groups and private sector organizations in Defense adjustment activities.

8. Development, with representatives of appropriate agencies, of uniform criteria for the determination of social economic impact of a particular realignment.

9. Identification and strengthening of existing agency mechanisms to better coordinate employment opportunities for displaced agency personnel.

10. Increased attractiveness to the private sector of interim usage of lands and buildings and ways of streamlining property disposal procedures to enable impacted communities to acquire base property for job-generation purposes as military activities phase down.

(b) The Secretary of Defense shall ensure that sufficient resources and personnel are allocated to carry out these functions.

SEC. 2. *Economic Adjustment Committee.* (a) The Economic Adjustment Committee is hereby continued.

(b) The Committee shall be composed of the following, or a principal deputy,

and such others as the President may designate:

- (1) The Secretary of Defense, who shall be the Chairman of the Committee.
- (2) The Secretary of Agriculture.
- (3) The Secretary of Commerce.
- (4) The Secretary of Energy.
- (5) The Secretary of Health, Education, and Welfare.
- (6) The Secretary of Housing and Urban Development.
- (7) The Secretary of the Interior.
- (8) The Secretary of Labor.
- (9) The Secretary of Transportation.
- (10) The Attorney General.
- (11) The Chairman, Council of Economic Advisers.
- (12) The Director of the Office of Management and Budget.
- (13) The Director of the United States Arms Control and Disarmament Agency.
- (14) The Administrator of the Environmental Protection Agency.
- (15) The Director of the Community Services Administration.
- (16) The Administrator of General Services.
- (17) The Administrator of the Small Business Administration.
- (18) The Chairman of the United States Civil Service Commission.

(c) The Committee shall advise, assist, and support the Secretary of Defense's Economic Adjustment activities.

(d) The Secretary of Defense shall provide all necessary administrative support for the Committee.

### SEC. 3. *Responsibility of Executive Agencies.*

(a) The head of each agency represented on the Economic Adjustment Committee shall designate a permanent representative to: (1) serve as liaison with the Secretary of Defense's economic adjustment staff, (2) coordinate agency support and participation in assistance

projects, and (3) assist in resolving community impact problems.

(b) All Executive agencies shall:

(1) Support, to the extent permitted by law, the economic adjustment assistance activities of the Secretary of Defense. Such support shall include the use and application of personnel, technical expertise, legal authorities, and available financial resources to the extent required to provide a coordinated Federal response to the needs of individual communities, States, and regions adversely affected by necessary Defense changes.

(2) Afford priority consideration to community requests for Federal technical assistance, financial resources, excess or surplus property, or other requirements that are part of a comprehensive plan issued by the Economic Adjustment Committee.

SEC. 4. *Construction.* Nothing in this Order shall be construed as subjecting any function vested by law in, or assigned pursuant to law to, any agency or head thereof to the authority of any other agency or officer or as abrogating or restricting any such function in any manner.

JIMMY CARTER

The White House,  
March 27, 1978.

[Filed with the Office of the Federal Register,  
1:15 p.m., March 28, 1978]

## Defense Economic Adjustment Programs

*Memorandum From the President.*  
*March 27, 1978*

*Memorandum for the Secretary of Defense, the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Sec-*

*retary of Labor, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Secretary of Energy, the Chairman, Civil Service Commission, the Director, Community Services Administration, the Chairman of the Council of Economic Advisers, the Administrator, Environmental Protection Agency, the Administrator, General Services Administration, the Director, Office of Management and Budget, the Administrator, Small Business Administration, the Director of the United States Arms Control and Disarmament Agency*

This Administration has initiated a major effort to strengthen military effectiveness and to reduce unnecessary Defense expenditures. Many required changes can be implemented with minimal impact on individuals and communities. Other changes, however, will involve a requirement to close installations or eliminate jobs and these could result in a serious economic impact in some localities.

I am fully committed to a reduction in Defense costs, but the burden should not be borne solely by the citizens who happen to reside or work in an impacted area. Therefore, I am equally committed to the implementation of these changes in a manner that reflects my genuine concern for those individuals and communities that are directly affected.

I have asked Secretary Brown to continue to chair the Economic Adjustment Committee in order to assure that coordinated Federal assistance is provided to impacted communities when it is required and that increased consideration is given to social and economic impacts in the implementation of Defense realignment actions.

The Economic Adjustment Committee has helped many communities to successfully overcome the impact of Defense changes in the past. The scope and extent

of possible future changes, however, impose a requirement for increased participation and priority attention by all agencies involved with the Committee. To meet this need, I have today signed an Executive Order designating you as a member of the Committee. I have also designated Jack Watson, my Assistant for Intergovernmental Affairs and Secretary to the Cabinet, as a member of this Committee. Additionally, you should name a representative to work closely with the permanent Committee staff in the Office of Economic Adjustment.

My objective in issuing the order to strengthen the Committee is to assure that available Federal resources are coordinated and targeted in a manner that is responsive to the most important needs of Defense impacted communities. Priority consideration should be given to requirements for technical and financial assistance or other actions that may be required to support the Committee's projects.

You will appreciate that Defense impacts vary widely and they pose a complex challenge for the affected communities and states. They also serve as a test of the ability of the Federal departments and agencies to provide effective assistance. I therefore expect you to review your agency's support of economic adjustment assistance projects with the objective of identifying improvements, wherever possible.

Recognizing that funding and property are two Federal resources most often required to resolve local impact problems, I have asked the Director of the Office of Management and Budget to (1) review arrangements for identification of economic adjustment resources in the budgets of appropriate Federal agency programs, and (2) work with the Department of Defense and the General Services Administration to ensure that Federal property procedures are streamlined to expedite

the interim use and transfer of excess base properties for job-generating purposes at prices the impacted communities can afford to pay.

In addition, I have asked the Director of the Office of Management and Budget to review the adequacy of the arrangements for the implementation of this Executive Order. Your cooperation with the Secretary of Defense and the Director of OMB will enable us to implement necessary Defense changes and render more effective Federal assistance to those in need.

JIMMY CARTER

## Harry S Truman Scholarship Foundation

*Nomination of Anita M. Miller To Be a Member of the Board of Trustees.  
March 27, 1978*

The President today announced that he will nominate Anita M. Miller, of Sacramento, Calif., to be a member of the Board of Trustees of the Harry S Truman Scholarship Foundation for a term expiring December 10, 1983. She would replace Jonathan Moore, whose term has expired.

Miller, 49, is president of the National Association of Commissions for Women, a national network of official governmental commissions on the status of women. She is also president and executive director of the Institute for Studies in Equality.

## The President's Trip to Latin America and Africa

*Announcement Concerning Members of the Official Party During the Visit to Africa. March 27, 1978*

Margaret Buckner Young and Jesse Hill, Jr., will be members of President Carter's official party on the Nigeria and

Liberia portions of the President's trip to South America and Africa.

The President thought it would be appropriate that two such prominent black American leaders be members of the official party on the first state visit ever paid to black Africa by an American President. He thinks highly of Mrs. Young and Mr. Hill and asked that they join him on his trip.

Mrs. Young and Mr. Hill are expected to join the Carter traveling party in Rio de Janeiro Friday morning and remain with the party the rest of the trip.

Mrs. Young is the chairperson of the Whitney M. Young, Jr., Memorial Foundation. She is also an author. She is the widow of the late Whitney M. Young, Jr., a noted national black leader and the former head of the National Urban League (1961-1971).

Mrs. Young, a native of Campbells-ville, Ky., has written four children's books: "First Book of American Negroes," "The Picture Life of Martin Luther King, Jr.," "The Picture Life of Thurgood Marshall," and "Black American Leaders."

She was recently appointed by the President to be a member of the Board of Visitors to the United States Military Academy.

Hill is the president and chief executive officer of the Atlanta Life Insurance Co. The insurance company is the largest stockholder life insurance company or financial institution controlled and managed by black Americans.

Mr. Hill, a native of St. Louis, Mo., is also the president of the Atlanta Chamber of Commerce and is the holder of numerous civic positions—including memberships on the boards of directors of the National Urban Coalition, the National Urban League, and the Southern Christian Leadership Conference.

## Domestic Council, Office of Drug Abuse Policy, and Economic Opportunity Council

*Executive Order 12045. March 27, 1978*

### RELATING TO THE DOMESTIC POLICY STAFF, THE OFFICE OF DRUG ABUSE POLICY, AND THE ECONOMIC OPPORTUNITY COUNCIL

By virtue of the authority vested in me by the Constitution and laws of the United States of America, including Section 7 of Reorganization Plan No. 1 of 1977 (42 FR 56101 (October 21, 1977)), Section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), and Section 301 of Title 3 of the United States Code, and as President of the United States of America, in order to provide for transfers of the functions of the Office of Drug Abuse Policy, the Domestic Council, and the Economic Opportunity Council, and the abolition of the Office of Drug Abuse Policy, the Domestic Council, and the Economic Opportunity Council, and for other purposes, it is hereby ordered as follows:

SECTION 1. (a) The transfer of all functions of the Domestic Council, as provided by Section 5D of Reorganization Plan No. 1 of 1977 (42 FR 56101), is hereby effective.

(b) The redesignation of the Domestic Council Staff as the Domestic Policy Staff and the other provisions of Section 1 of Reorganization Plan No. 1 of 1977 (42 FR 56101), are hereby effective.

(c) The abolition of the Domestic Council, as provided by Section 3A of Reorganization Plan No. 1 of 1977 (42 FR 56101), is hereby effective.

(d) The Domestic Policy Staff shall perform such functions as the President may from time to time direct.

SEC. 2. (a) The transfer of all functions of the Office of Drug Abuse Policy and its Director, as provided by Section 5C of

Reorganization Plan No. 1 of 1977 (42 FR 56101), is hereby effective.

(b) The abolition of the Office of Drug Abuse Policy, as provided by Section 3B of Reorganization Plan No. 1 of 1977 (42 FR 56101), is hereby effective.

(c) The Domestic Policy Staff shall assist the President in the performance of the functions transferred by Section 5C of Reorganization Plan No. 1 of 1977 (42 FR 56101).

SEC. 3. (a) The transfer of all functions of the Economic Opportunity Council, as provided by Section 5G of Reorganization Plan No. 1 of 1977 (42 FR 56101), is hereby effective.

(b) The abolition of the Economic Opportunity Council, as provided by Section 3D of Reorganization Plan No. 1 of 1977 (42 FR 56101), is hereby effective.

SEC. 4. All provisions of Reorganization Plan No. 1 of 1977 (42 FR 56101) not made effective on or prior to the effective date of this order are hereby effective.

SEC. 5. The records, property, personnel, and unexpended balances of appropriations, available or to be made available, which relate to the functions transferred, assigned, or delegated as provided in this Order are hereby transferred as appropriate.

SEC. 6. The Director of the Office of Management and Budget shall make such determinations, issue such orders, and take all actions necessary or appropriate to effectuate the transfers or reassignments provided in this Order, including the transfer of funds, records, property, and personnel.

SEC. 7. This Order shall be effective March 26, 1978.

JIMMY CARTER

The White House,  
March 27, 1978.

[Filed with the Office of the Federal Register,  
1:11 p.m., March 28, 1978]

NOTE: The text of the Executive order was released on March 28.

## Telecommunications Functions

*Executive Order 12046. March 27, 1978*

### RELATING TO THE TRANSFER OF TELECOMMUNICATIONS FUNCTIONS

By virtue of the authority vested in me by the Constitution and laws of the United States of America, including Section 7 of Reorganization Plan No. 1 of 1977 (42 FR 56101 (October 21, 1977)), the authority and control vested in the President by Section 2 of Executive Order No. 11556, as amended, Section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), and Section 301 of Title 3 of the United States Code, and as President of the United States of America, in order to provide for the transfer of certain telecommunications functions, it is hereby ordered as follows:

#### SECTION 1

##### REORGANIZATION PLAN

#### 1-1. *Implementation of Reorganization Plan.*

1-101. The transfer of all the functions of the Office of Telecommunications Policy and of its Director, as provided by Section 5B of Reorganization Plan No. 1 of 1977 (42 FR 56101), is hereby effective.

1-102. The abolition of the Office of Telecommunications Policy, as provided by Section 3C of Reorganization Plan No. 1 of 1977, is hereby effective.

1-103. The establishment of an Assistant Secretary for Communications and Information, Department of Commerce, as provided by Section 4 of Reorganization Plan No. 1 of 1977, is hereby effective.

#### 1-2. *Telecommunications Function.*

1-201. Prior to the effective date of Reorganization Plan No. 1 of 1977, the Office of Telecommunications Policy and its Director had the functions set forth or referenced by: (1) Section 1 of Reorganization Plan No. 1 of 1970 (5 U.S.C. App. II), (2) Executive Order No. 11556 of September 4, 1970, as amended (47 U.S.C. 305 note), (3) Executive Order No. 11191 of January 4, 1965, as amended (47 U.S.C. 721 note), (4) Executive Order No. 10705 of April 17, 1957, as amended (47 U.S.C. 606 note), and (5) Presidential Memorandum of August 21, 1963, as amended by Executive Order No. 11556 and entitled "Establishment of the National Communications System."

1-202. So much of those functions which relate to the preparation of Presidential telecommunications policy options or to the disposition of appeals from assignments of radio frequencies to stations of the United States Government were transferred to the President. These functions may be delegated within the Executive Office of the President and the delegations are set forth in this Order at Sections 3-1 through 4-3.

1-203. Those telecommunications functions which were not transferred to the President were transferred to the Secretary of Commerce. Functions transferred to the Secretary are set forth in this Order at Sections 2-1 through 2-5.

#### SECTION 2

##### FUNCTIONS TRANSFERRED TO COMMERCE

#### 2-1. *Radio Frequencies.*

2-101. The authority of the President to assign frequencies to radio stations or to classes of radio stations belonging to and operated by the United States, in-

cluding the authority to amend, modify, or revoke such assignments, was transferred to the Secretary of Commerce.

2-102. This authority, which was originally vested in the President by Section 305(a) of the Communications Act of 1934, as amended (47 U.S.C. 305(a)), was transferred and assigned to the Director of the Office of Telecommunications Policy by Section 1 of Reorganization Plan No. 1 of 1970 and Section 3 of Executive Order No. 11556.

2-103. The authority to assign frequencies to radio stations is subject to the authority to dispose of appeals from frequency assignments as set forth in Section 3-2 of this Order.

## 2-2. *Construction of Radio Stations.*

2-201. The authority to authorize a foreign government to construct and operate a radio station at the seat of government of the United States was transferred to the Secretary of Commerce. Authorization for the construction and operation of a radio station pursuant to this authority and the assignment of a frequency for its use can be made only upon recommendation of the Secretary of State and after consultation with the Attorney General and the Chairman of the Federal Communications Commission.

2-202. This authority, which was originally vested in the President by Section 305(d) of the Communications Act of 1934, as amended (47 U.S.C. 305), was delegated to the Director of the Office of Telecommunications Policy by Section 5 of Executive Order No. 11556.

## 2-3. *Communications Satellite System.*

2-301. Certain functions relating to the communications satellite system were transferred to the Secretary of Commerce. Those functions were delegated or assigned to the Director of the Office of Telecommunications Policy by Executive

Order No. 11191, as amended by Executive Order No. 11556. The functions include authority vested in the President by Section 201(a) of the Communications Satellite Act of 1962 (76 Stat. 421, 47 U.S.C. 721(a)). These functions are specifically set forth in the following provisions of this Section.

(a) Aid in the planning and development of the commercial communications satellite system and aid in the execution of a national program for the operation of such a system.

(b) Conduct a continuous review of all phases of the development and operation of such system, including the activities of the Corporation.

(c) Coordinate, in consultation with the Secretary of State, the activities of governmental agencies with responsibilities in the field of telecommunications, so as to insure that there is full and effective compliance at all times with the policies set forth in the Act.

(d) Make recommendations to the President and others as appropriate, with respect to all steps necessary to insure the availability and appropriate utilization of the communications satellite system for general government purposes in consonance with Section 201(a)(6) of the Act.

(e) Help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the communications satellite system with existing communications facilities both in the United States and abroad.

(f) Assist in the preparation of Presidential action documents for consideration by the President as may be appropriate under Section 201(a) of the Act, make necessary recommendations to the President in connection therewith, and keep the President currently informed with respect to the carrying out of the Act.

(g) Serve as the chief point of liaison between the President and the Corporation.

(h) The Secretary of Commerce shall timely submit to the President each year the report (including evaluations and recommendations) provided for in Section 404(a) of the Act (47 U.S.C. 744(a)).

(i) The Secretary of Commerce shall coordinate the performance of these functions with the Secretary of State. The Corporation and other concerned Executive agencies shall provide the Secretary of Commerce with such assistance, documents, and other cooperation as will enable the Secretary to carry out these functions.

*2-4. Other Telecommunications Functions.* Certain functions assigned, subject to the authority and control of the President to the Director of the Office of Telecommunications Policy by Section 2 of Executive Order No. 11556 were transferred to the Secretary of Commerce. These functions, subject to the authority and control of the President, are set forth in the following subsections.

2-401. The Secretary of Commerce shall serve as the President's principal adviser on telecommunications policies pertaining to the Nation's economic and technological advancement and to the regulation of the telecommunications industry.

2-402. The Secretary of Commerce shall advise the Director of the Office of Management and Budget on the development of policies relating to the procurement and management of Federal telecommunications systems.

2-403. The Secretary of Commerce shall conduct studies and evaluations concerning telecommunications research and development, and concerning the initiation, improvement, expansion, testing, operation, and use of Federal telecommunications systems. The Secretary shall advise

appropriate agencies, including the Office of Management and Budget, of the recommendations which result from such studies and evaluations.

2-404. The Secretary of Commerce shall develop and set forth, in coordination with the Secretary of State and other interested agencies, plans, policies, and programs which relate to international telecommunications issues, conferences, and negotiations. The Secretary of Commerce shall coordinate economic, technical, operational and related preparations for United States participation in international telecommunications conferences and negotiations. The Secretary shall provide advice and assistance to the Secretary of State on international telecommunications policies to strengthen the position and serve the best interests of the United States, in support of the Secretary of State's responsibility for the conduct of foreign affairs.

2-405. The Secretary of Commerce shall provide for the coordination of the telecommunications activities of the Executive Branch, and shall assist in the formulation of policies and standards for those activities, including but not limited to considerations of interoperability, privacy, security, spectrum use and emergency readiness.

2-406. The Secretary of Commerce shall develop and set forth telecommunications policies pertaining to the Nation's economic and technological advancement and to the regulation of the telecommunications industry.

2-407. The Secretary of Commerce shall ensure that the Executive Branch views on telecommunications matters are effectively presented to the Federal Communications Commission and, in coordination with the Director of the Office of Management and Budget, to the Congress.



2-408. The Secretary of Commerce shall establish policies concerning spectrum assignments and use by radio stations belonging to and operated by the United States. Agencies shall consult with the Secretary of Commerce to ensure that their conduct of telecommunications activities is consistent with those policies.

2-409. The Secretary of Commerce shall develop, in cooperation with the Federal Communications Commission, a comprehensive long-range plan for improved management of all electromagnetic spectrum resources.

2-410. The Secretary of Commerce shall conduct studies and make recommendations concerning the impact of the convergence of computer and communications technology.

2-411. The Secretary of Commerce shall coordinate Federal telecommunications assistance to State and local governments.

2-412. The Secretary of Commerce shall conduct and coordinate economic and technical analyses of telecommunications policies, activities, and opportunities in support of assigned responsibilities.

2-413. The Secretary of Commerce shall contract for studies and reports related to any aspect of assigned responsibilities.

2-414. The Secretary of Commerce shall participate with the National Security Council and the Director of the Office of Science and Technology Policy in carrying out their functions under Sections 4-1, 4-2, and 4-3 of this Order, and may perform specific staff services for them as requested.

#### 2-5. Consultation Responsibilities.

2-501. The authority to establish coordinating committees, as assigned to the Director of the Office of Telecommunications Policy by Section 10 of Executive

Order No. 11556, was transferred to the Secretary of Commerce.

2-502. As permitted by law, the Secretary of Commerce shall establish such interagency committees and working groups composed of representatives of interested agencies, and shall consult with such departments and agencies as may be necessary for the most effective performance of his functions. To the extent he deems it necessary to continue the Interdepartment Radio Advisory Committee, that Committee shall serve in an advisory capacity to the Secretary. As permitted by law, the Secretary also shall establish one or more telecommunications advisory committees composed of experts in the telecommunications area outside the Government.

### SECTION 3

#### FUNCTIONS ASSIGNED TO THE OFFICE OF MANAGEMENT AND BUDGET

##### 3-1. Telecommunications Procurement and Management.

3-101. The responsibility for serving as the President's principal adviser on procurement and management of Federal Telecommunications systems and the responsibility for developing and establishing policies for procurement and management of such systems, which responsibilities were assigned to the Director of the Office of Telecommunications Policy subject to the authority and control of the President by Section 2(b) of Executive Order No. 11556, were transferred to the President.

3-102. These functions are delegated to the Director of the Office of Management and Budget.

##### 3-2. Radio Frequency Appeals.

3-201. The authority to make final disposition of appeals from frequency assignments by the Secretary of Commerce

for radio stations belonging to and operated by the United States, which authority was vested in the President by Section 305(a) of the Communications Act of 1934 (47 U.S.C. 305(a)) and transferred to the Director of the Office of Telecommunications Policy by Reorganization Plan No. 1 of 1970 (5 U.S.C. App. II), was transferred to the President.

3-202. This function is delegated to the Director of the Office of Management and Budget.

#### SECTION 4

##### FUNCTIONS ASSIGNED TO THE NATIONAL SECURITY COUNCIL AND THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY

###### 4-1. *Emergency Functions.*

4-101. The war power functions of the President under Section 606 of the Communications Act of 1934, as amended (47 U.S.C. 606), which were delegated to the Director of the Office of Telecommunications Policy by the provisions of Section 4 of Executive Order No. 10705, were transferred to the President.

4-102. The Director of the Office of Science and Technology Policy shall prepare to direct the exercise of these functions, and the National Security Council shall prepare to exercise appropriate policy direction, should the President so instruct. These instructions would be given in accordance with the National Emergencies Act (90 Stat. 1255, 50 U.S.C. 1601).

4-103. The Director of the Office of Science and Technology Policy shall prepare Presidential policy options with respect to the evaluation by appropriate means, including suitable tests, of the capability of existing and planned communications systems to meet national security and emergency preparedness requirements, and report the results and any recommended remedial actions to the

President and the National Security Council.

###### 4-2. *National Communications System.*

4-201. The responsibility for policy direction of the development and operation of a National Communications System, which was assigned to the Director of the Office of Telecommunications Policy by the Presidential Memorandum of August 21, 1963, as amended by Executive Order No. 11556, was transferred to the President.

4-202. The function is more particularly identified, and is delegated to the National Security Council, in the amendments made by Section 6-101 of this Order to the President's Memorandum of August 21, 1963.

###### 4-3. *Planning Functions.*

4-301. The function of coordinating the development of policy, plans, programs, and standards for the mobilization and use of the Nation's telecommunications resources in any emergency, which function was assigned to the Director of the Office of Telecommunications Policy subject to the authority and control of the President by Section 2(h) of Executive Order No. 11556, was transferred to the President.

4-302. The National Security Council shall assist the President in the performance of this function.

#### SECTION 5

##### RELATED TELECOMMUNICATIONS FUNCTIONS

###### 5-1. *The Department of Commerce.*

5-101. The Secretary of Commerce shall continue to perform the following functions previously assigned by Section 13 of Executive Order No. 11556:

(a) Perform analysis, engineering, and administrative functions, including the

maintenance of necessary files and data bases, as necessary in the performance of assigned responsibilities for the management of electromagnetic spectrum.

(b) Conduct research and analysis of electromagnetic propagation, radio systems characteristics, and operating techniques affecting the utilization of the electromagnetic spectrum in coordination with specialized, related research and analysis performed by other Federal agencies in their areas of responsibility.

(c) Conduct research and analysis in the general field of telecommunications sciences in support of assigned functions and in support of other Government agencies.

5-102. The Secretary of Commerce shall participate, as appropriate, in evaluating the capability of telecommunications resources, in recommending remedial actions, and in developing policy options.

#### 5-2. *Department of State.*

5-201. With respect to telecommunications, the Secretary of State shall exercise primary authority for the conduct of foreign policy, including the determination of United States positions and the conduct of United States participation in negotiations with foreign governments and international bodies. In exercising this responsibility the Secretary of State shall coordinate with other agencies as appropriate, and, in particular, shall give full consideration to the Federal Communications Commission's regulatory and policy responsibility in this area.

5-202. The Secretary of State shall continue to perform the following functions previously assigned by Executive Order No. 11191, as amended:

(a) Exercise the supervision provided for in Section 201(a)(4) of the Communications Satellite Act of 1962, as amended (47 U.S.C. 721(a)(4)); be re-

sponsible, although the Secretary of Commerce is the chief point of liaison, for instructing the Communications Satellite Corporation in its role as the designated United States representative to the International Telecommunications Satellite Organization; and direct the foreign relations of the United States with respect to actions under the Communications Satellite Act of 1962, as amended.

(b) Coordinate, in accordance with the applicable interagency agreements, the performance of these functions with the Secretary of Commerce, the Federal Communications Commission, other concerned Executive agencies, and the Communications Satellite Corporation (see 47 U.S.C. 731-735). The Corporation and other concerned Executive agencies shall provide the Secretary of State with such assistance, documents, and other cooperation as will enable the Secretary to carry out these functions.

5-3. *General Services Administration.* The Administrator of General Services shall coordinate with the Secretary of Commerce, the Director of the Office of Science and Technology Policy, and the National Security Council the development of policies, plans, programs, and standards for the emergency use of telecommunications.

## SECTION 6

### GENERAL PROVISIONS

#### 6-1. *Transfer Provisions.*

6-101. In order to reflect the transfer and assignment made by Section 5B of Reorganization Plan No. 1 of 1977 and Section 13 of this Order, the President's Memorandum of August 21, 1963, entitled "Establishment of the National Communications System" (28 FR 9413, 3 CFR 1959-1963 Compilation) as

amended by Section 8 of Executive Order No. 11556, is further amended as follows:

(a) Delete the first paragraph after the heading "Executive Office Responsibilities" and substitute therefor:

"The National Security Council shall be responsible for Presidential policy options concerning the development and operation of the National Communications System (NCS) and shall:".

(b) Delete the last two paragraphs in that part of the memo headed "Executive Office Responsibilities" and substitute therefor:

"In performing these functions, the National Security Council will consult with the Secretary of Commerce, the Director of the Office of Management and Budget, the Director of the Office of Science and Technology Policy, and the Administrator of General Services, as appropriate; will establish arrangements for interagency consultation to ensure that the NSC will meet essential needs of all government agencies; and will be responsible for carrying on the work formerly done by the Subcommittee on Communications of the Executive Committee of the National Security Council. In addition to staff regularly assigned, the National Security Council and the Director of the Office of Science and Technology Policy may arrange for the detail or temporary assignment of communications and other specialists from any agency.

"The Director of the Office of Management and Budget, in consultation with the National Security Council, the Secretary of Commerce, the Administrator of General Services, and the Executive Agent of the NCS, will prescribe general guidelines and procedures for reviewing the financing of the NCS within the budgetary process and for preparation of budget estimates by participating agencies."

(c) In the paragraph after the heading "Agency Responsibilities", delete "Director of the Office of Telecommunications Policy" and substitute therefor "National Security Council."

6-102. The primary responsibility for performing all administrative support and service functions that are related to functions transferred from the Office of Telecommunications Policy and its Director to the President, including those functions delegated or assigned within the Executive Office of the President, are transferred to the Office of Administration. The Domestic Policy Staff shall perform such functions related to the preparation of Presidential telecommunications policy options as the President may from time to time direct.

6-103. The records, property, personnel, and unexpended balances of appropriations, available or to be made available, which relate to the functions transferred, assigned, or delegated as provided in this Order are hereby transferred as appropriate.

6-104. The Director of the Office of Management and Budget shall make such determinations, issue such orders, and take all actions necessary or appropriate to effectuate the transfers or reassignments provided in this Order, including the transfer of funds, records, property, and personnel.

6-2. *Amendments.* In order to reflect the transfers provided by this Order, the following conforming amendments and revocations are ordered:

6-201. Section 306 of Executive Order No. 11051, as amended, is further amended to read:

"Sec. 306. *Emergency telecommunications.* The Administrator of General Services shall be responsible for coordinating with the National Security Council

in planning for the mobilization of the Nation's telecommunications resources in time of national emergency."

6-202. Executive Order No. 11490, as amended is further amended by:

(1) substituting "National Security Council" for "Office of Telecommunications Policy (35 FR 6421)" in Section 401(27), and

(2) substituting the number of this Order for "11556" and deleting references to Executive Order No. 10705 in Sections 1802 and 2002(3).

6-203. Executive Order No. 11725, as amended, is further amended by substituting the number and date of this Order for the reference to Executive Order No. 11556 of September 4, 1970 in Section 3(16).

6-204. Executive Orders No. 10705, as amended, No. 11191, as amended, and No. 11556, as amended, are revoked.

### 6-3. General.

6-301. All Executive agencies to which functions are assigned pursuant to this Order shall issue such rules and regulations as may be necessary to carry them out.

6-302. All Executive agencies are authorized and directed to cooperate with the departments and agencies to which functions are assigned pursuant to this Order and to furnish them such information, support and assistance, not inconsistent with law, as they may require in the performance of those functions.

6-303. (a) Nothing in this Order re-assigns any function assigned any agency under the Federal Property and Administrative Services Act of 1949, as amended, nor does anything in this Order impair the existing authority of the Administrator of General Services to provide and operate telecommunications services and to prescribe policies and methods of pro-

curement, or impair the policy and oversight roles of the Office of Management and Budget.

(b) In carrying out the functions in this Order, the Secretary of Commerce shall coordinate activities as appropriate with the Federal Communications Commission and make appropriate recommendations to it as the regulator of the private sector. Nothing in this Order re-assigns any function vested by law in the Federal Communications Commission.

6-304. This Order shall be effective March 26, 1978.

JIMMY CARTER

The White House,

March 27, 1978.

[Filed with the Office of the Federal Register, 1:12 p.m., March 28, 1978]

NOTE: The text of the Executive order was released on March 28.

For a statement by the President on Executive Order 12046, see page 611 of this volume.

## Imported Objects of Cultural Significance

*Executive Order 12047. March 27, 1978*

By virtue of the authority vested in me by the Act of October 19, 1965, entitled "An Act to render immune from seizure under judicial process certain objects of cultural significance imported into the United States for temporary display or exhibition, and for other purposes" (79 Stat. 985, 22 U.S.C. 2459), and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. The Director of the International Communication Agency is designated and empowered to perform the functions conferred upon the President by the above-mentioned Act and shall be

deemed to be authorized, without the approval, ratification, or other action of the President, (1) to determine that any work of art or other object to be imported into the United States within the meaning of the Act is of cultural significance, (2) to determine that the temporary exhibition or display of any such work of art or other object in the United States is in the national interest, and (3) to cause public notices of the redeterminations referred to above to be published in the *FEDERAL REGISTER*.

SEC. 2. The Director of the International Communication Agency, in carrying out this Order, shall consult with the Secretary of State with respect to the determination of national interest, and may consult with the Secretary of the Smithsonian Institution, the Director of the National Gallery of Art, and with such other officers and agencies of the Government as may be appropriate, with respect to the determination of cultural significance.

SEC. 3. The Director of the International Communication Agency is authorized to delegate within the Agency the functions conferred upon him by this Order.

SEC. 4. Executive Order No. 11312 of October 14, 1966 is revoked.

SEC. 5. Any order, regulation, determination or other action which was in effect pursuant to the provisions of Executive Order No. 11312 shall remain in effect until changed pursuant to the authority provided in this Order.

SEC. 6. This Order shall be effective on April 1, 1978.

JIMMY CARTER

The White House,  
March 27, 1978.

[Filed with the Office of the Federal Register,  
1:13 p.m., March 28, 1978]

NOTE: The text of the Executive order was released on March 28.

## International Communication Agency

*Executive Order 12048. March 27, 1978*

By virtue of the authority vested in me by the Constitution and laws of the United States of America, including Section 11 of Reorganization Plan No. 2 of 1977 (42 FR 62461 (December 13, 1977)), Section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), and Section 301 of Title 3 of the United States Code, and as President of the United States of America, in order to provide for the establishment of the International Communication Agency, it is hereby ordered as follows:

SECTION 1. (a) Reorganization Plan No. 2 of 1977 (42 FR 62461), which establishes the International Communication Agency, except for Section 7(a)(14) thereof, is hereby effective.

(b) Section 7(a)(14) of Reorganization Plan No. 2 of 1977, relating to the Woodrow Wilson Memorial Act of 1968, shall be effective on July 1, 1978.

SEC. 2. The functions vested in the Secretary of State by Executive Order No. 11312 are assigned and redelegated to the Director of the International Communication Agency. All authority vested in the United States Information Agency or its Director by Executive order is reassigned and redelegated to the International Communication Agency or its Director, respectively.

SEC. 3. In order to ensure appropriate coordination among the Executive agencies, the Director of the International Communication Agency shall exercise primary responsibility for Government-wide policy guidance for international informational, educational, and cultural activities, including exchange programs.

The Director shall take into account the statutory functions of the other concerned Executive agencies.

SEC. 4. The Director of the International Communication Agency, with the assistance of the Secretary of Health, Education, and Welfare, shall prepare and submit to the President the reports which the President is to transmit to the Congress pursuant to Section 108(b) of the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2458).

SEC. 5. The functions vested in the President by Sections 108(c) and 108(d) of the Mutual Educational and Cultural Exchange Act of 1961, as amended, are delegated to the Director of the International Communication Agency; because, (a) such a delegation is in the interest of the purposes expressed in that Act and the efficient administration of the programs undertaken pursuant thereto, (b) the Director is an appropriate official to perform those functions, and (c) those functions are not now delegated to any other officer of the Government.

SEC. 6. The Director of the International Communication Agency shall be the principal adviser to the President, the National Security Council, and the Secretary of State on international informational, educational, and cultural matters. As such, the Director shall provide advice within the policy formulation activities of the National Security Council when such matters are considered. The Director shall ensure that the senior official of the Agency at each diplomatic mission provides advice to the Chief of Mission on such matters. The scope of the Director's advice shall include assessments of the impact of actual and proposed United States foreign policy decisions on public opinion abroad.

SEC. 7. The records, property, personnel, and unexpended balances of ap-

propriations, available or to be made available, which relate to the functions transferred or reassigned, or redelegated as provided in this Order, are hereby transferred to the Director of the International Communication Agency.

SEC. 8. The Director of the Office of Management and Budget shall make such determinations, issue such orders, and take all actions, necessary or appropriate to effectuate the transfers or reassignments provided in this Order, including the transfer of funds, records, property, and personnel.

SEC. 9. This Order shall be effective on April 1, 1978.

JIMMY CARTER

The White House,  
March 27, 1978.

[Filed with the Office of the Federal Register,  
1:14 p.m., March 28, 1978]

NOTE: The text of the Executive order was released on March 28.

## Citizens Band Radio Transceivers

*Letter to the Speaker of the House and the President of the Senate Transmitting a Report. March 27, 1978*

*Dear Mr. Speaker: (Dear Mr. President:)*

In accordance with section 203(b)(1) of the Trade Act of 1974, enclosed is a report to the Congress setting forth my decision to modify the import relief recommendation of three Commissioners of the U.S. International Trade Commission (USITC) by proclaiming a moderate tariff increase for Citizens Band (CB) Radio Transceivers and giving the reasons for my decision and why the import

relief recommended by the USITC is not in the national economic interest.

Sincerely,

JIMMY CARTER

#### STATEMENT BY THE PRESIDENT

As required by section 203(b)(1) of the Trade Act of 1974, I am transmitting this report to Congress setting forth the actions I will take with respect to citizens band (CB) radio transceivers covered by the affirmative injury finding of the U.S. International Trade Commission (USITC) reported to the President on February 3, 1978, under section 201(d)(1) of the Trade Act. As my decision provides import relief which differs from the action recommended by the USITC, I am setting forth the reasons for such difference.

After considering all relevant aspects of the case, including those considerations set forth in section 202(c) of the Trade Act of 1974, I have determined that neither of the recommendations of the USITC are appropriate in this case. I have, however, determined that import relief is in the national economic interest and therefore will proclaim a tariff increase with respect to citizens band (CB) radio transceivers (except hand-held), of 15 additional percentage points in the first year, to be phased down in three percentage point decrements for the following two years. The duty will then revert to its current rate of six percent ad valorem.

Expedited adjustment assistance would be ineffective in helping the industry cope with current problems of severe inventory overhang, low prices, and financial losses.

The import relief recommended by the USITC of a 30 percentage point tariff increase is not in the national economic interest because it would substantially increase costs to consumers. In a time when

we are striving to control inflation, this cost would be too high.

The moderate tariff increase over a three-year period that I will proclaim will have a much smaller price effect than the 30 percentage point added duty over a five-year period recommended by the USITC. Furthermore, CBs are a final consumer good precluding ripple price effects on other goods.

The moderate tariff increase, when coupled with the recent appreciation in the Japanese yen (about 25%), would enable domestically produced CBs to be competitively priced relative to Japanese imports. Japanese imports represent about 85% of the total. The Republic of China and Korea and Hong Kong supply almost all the remainder (14%). Domestic manufacturers may be able to expand their share of the market. This could be achieved by utilizing their already developed, but now excess, capacity.

Firms and workers and communities would remain eligible for adjustment assistance.

JIMMY CARTER

The White House,  
March 27, 1978.

NOTE: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Walter F. Mondale, President of the Senate.

The text of the report was released on March 28.

## Citizens Band Radio Transceivers

*Memorandum From the President.*  
*March 27, 1978*

*Memorandum for the Special Representative for Trade Negotiations*

Pursuant to section 202(b) of the Trade Act of 1974 (P.L. 93-618, 88 Stat. 1978), I have determined the action I



will take with respect to the report of the United States International Trade Commission (USITC), transmitted to me on February 3, 1978, concerning the results of its investigation of a petition for import relief filed by E. G. Johnson Company on behalf of the domestic industry producing citizens band (CB) radio transceivers, provided for in item 685.25 of the Tariff Schedules of the United States.

After considering all relevant aspects of the case, including those considerations set forth in section 202(c) of the Trade Act of 1974, I have determined that neither of the recommendations of the USITC are appropriate in this case. I have, however, determined that import relief is in the national economic interest and therefore will proclaim a tariff increase with respect to Citizens Band (CB) radio transceivers (except hand-held), provided for in item 685.25 of the TSUS, of 15 additional percentage points in the first year, to be phased down in three percentage point decrements for the following two years. The duty would then revert to its current rate of six percent ad valorem.

Expedited adjustment assistance would be ineffective in helping the industry cope with current problems of severe inventory overhang, low prices, and financial losses.

The import relief recommended by the USITC of a 30 percentage point tariff increase is not in the national economic interest because it would substantially increase costs to consumers. In a time when we are striving to control inflation, this cost would be too high.

The moderate tariff increase over a three year period that I will proclaim will have a much smaller price effect than the 30 percentage point added duty over five years recommended by the USITC. Furthermore, CBs are a final consumer good precluding ripple price effects on other goods.

The moderate tariff increase would enable domestically produced CBs to be competitively priced relative to imports. Domestic manufacturers may be able to expand their share of the market. This could be achieved by utilizing their already developed, but now excess, capacity.

Firms and workers and communities would still remain eligible for adjustment assistance.

This determination is to be published in the FEDERAL REGISTER.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
1:12 p.m., March 27, 1978]

## Energy Emergency in Pennsylvania

*Statement on Extending the Energy  
Emergency Determination. March 27, 1978*

Based on a petition submitted to me by the Governor of the State of Pennsylvania pursuant to Section 110(f) of the Clean Air Act, I determined on February 24, 1978, that a regional energy emergency existed in the State of Pennsylvania of such severity that a temporary suspension of certain particulate and sulfur dioxide control regulations under the Pennsylvania Air Quality Implementation Plan might be necessary. I ordered the determination to be in effect for not more than 30 days unless I rescinded it before that time or extended it. Because of continuing energy supply problems throughout the State, I hereby extend the regional energy emergency determination for the State of Pennsylvania for a second 30-day period. During this extension, the Administrator of the Environmental Protection Agency retains full authority to disapprove temporary suspensions of regulations in Pennsylvania on a case-by-case basis and to ex-

ercise his emergency powers authority under Section 303 of the Clean Air Act, when and if necessary.

I urge the Governor to continue to act with due care if he further suspends any air pollution regulations under the authority provided by the extension of this determination, since such regulations are important to protect public health.

NOTE: The statement was released on March 28.

The Presidential determination of March 27 is printed in the **FEDERAL REGISTER** of March 30, 1978.

## The President's Trip to Latin America and Africa

*Remarks on Departure From the White House. March 28, 1978*

THE VICE PRESIDENT. *Mr. President and Rosalynn:*

In our complete commitment to the success of this journey, we've decided to send with the President a mature adviser on foreign affairs, and I'm pleased to announce that we've been successful in our plans. Mr. Zbig Brzezinski, who is today 50 years old, carries with him all of those years and all of that experience and will bring that new talent and background to bear to assure the success of this mission.

Mr. President, in your commencement address at Notre Dame last year, you said that American foreign policy is based on an historical vision of America's role; derived from a larger view of global change; rooted in our moral values, which never change; reinforced by our military wealth and our material power; designed to serve mankind.

You pledged in your Notre Dame address that we will cooperate more closely with the newly influential countries in Latin America, Africa, and Asia. You said

we need their friendship and cooperation in a common effort as the structure of the world changes.

The strength of your commitment to these objectives is demonstrated clearly by your travel this week to Venezuela, Brazil, Nigeria, and Liberia. Your journey underlines our friendship with these nations and the determination of the United States to work with them.

Mr. President and Rosalynn, we know your trip will be a success. You take with you the admiration and love of the American people, and we look forward to having you back with us.

THE PRESIDENT. When the Vice President was announcing that I was taking my senior foreign affairs adviser with me, I thought surely he was going to introduce Amy, who's also going on the trip. *[Laughter]*

Yesterday was Cy Vance's birthday. And we've all formed a very close and harmonious relationship as we've studied how our Nation should deal with foreign countries in the crucial element of preparing American people for the years ahead.

Today I leave on a journey which will reflect our own Nation's ability to deal in a constructive and a creative way with the diversity of the world in which we live. At every stop on this trip, our guiding principles will be economic justice, human rights, fair relations among nations, and a search for a peaceful resolution of the world's conflicts and potential conflicts.

We have special and longlasting ties with both Latin America and with Africa. Many of our people trace their roots to these two continents, and we share with these nations a history of freedom won through combat from colonial domination and rule.

The countries that I will visit exemplify the profound changes that are taking place and the growing importance of our relations with new leaders of the developing world. In Venezuela, in Brazil, in Nigeria, in Liberia we will attempt to strengthen friendships to share mutual interests and mutual opportunities and to learn from the leaders of these very influential nations.

By the end of this century, 80 percent of all the world's people will live in Latin America, Asia, and Africa. Rapidly developing countries such as the four that I will visit will play a larger and larger part in our own lives here in the United States. And in determining our shared human fate in this world of change, we will maintain our greatness only if we are able to change, while remaining true to the principles that have made our Nation strong.

I set out on this journey to explain our own American values proudly and clearly to our friends and to understand their opinions and their concerns. My greatest ambition will be to represent the people of my Nation truly and well. And that ambition, if realized, will ensure the success of my mission.

Thank you very much.

**NOTE:** The exchange began at 7:35 a.m. on the South Lawn of the White House. Following the remarks, the Presidential party proceeded to Andrews Air Force Base, Md., where they departed for Venezuela.

The remarks were broadcast live on radio and television.

## Telecommunications Functions

***Statement on Signing Executive Order 12046.  
March 28, 1978***

I have signed an Executive order to implement the portion of my Executive Office reorganization plan that abolishes

the Office of Telecommunications Policy. While reducing the size of the Executive Office, this reorganization will enhance the administration's ability to exercise leadership in communications policy.

Advances in communications are having a tremendous effect on the way people live. Developments in computers, satellites, electronic funds transfers, electronic mail, mobile radios, and cable TV will change many aspects of our daily lives. These changes pose important choices for our country.

The Office of Telecommunications Policy was never equipped to play a strong role in this debate. Now, for the first time, communications policy will be handled at the Cabinet level.

The Commerce Department will take the lead in conducting research, developing policy proposals, and representing the administration before Congress and the Federal Communications Commission. Commerce will also assign frequencies for the Federal Government's radio stations.

Some functions have been kept in the Executive Office because they could not be performed effectively in a line agency. The Office of Management and Budget will set policy for procurement and management of the Government's telecommunications systems and will decide appeals from Commerce's frequency assignments. The National Security Council and the Office of Science and Technology Policy will handle certain national security and emergency preparedness policy functions. The Domestic Policy Staff will keep me informed on communications developments.

I am pleased to have nominated a talented expert, Henry Geller, to handle Commerce's responsibilities. He will hold the new position of Assistant Secretary for Communications and Information.

**NOTE:** The text of Executive Order 12046 is printed on page 598 of this volume.

## Federal Advisory Committees

*Announcement on Committee Reductions.  
March 28, 1978*

President Carter reported today that the number of Federal advisory committees dropped last year to 875, the lowest since the Government started keeping close track of such groups.

The President ordered a stiff review of advisory committees a year ago, declaring that many had outlived their usefulness or were not providing balanced advice. The annual report he submitted to Congress on Monday reflected early results of that executive branch review. It found that as of last December 31:

- The number had decreased by 284, the largest cutback in the last 4 years.
- Fewer new committees were established in 1977, apart from those formed by merging existing groups.
- Of the 875 still operating, 228 are required by law.

Those 875 committees compared with 1,439 at the end of 1972. That was the year in which Congress passed the Federal Advisory Committee Act to control the number and makeup of committees.

Advisory committees are created by Congress and Executive order, but principally by department and agency heads. Their cost is estimated at \$76 million in 1978.

The report showed substantial progress toward reaching targets set by the White House last August. Ninety percent of the 261 committees slated for elimination were out of business by the end of the year. The remainder included committees which can be abolished only by law.

In addition, 92 other committees were terminated as they finished their work or were found to be unnecessary.

More than one-third of scheduled committee consolidations also were accom-

plished, with 111 merged into 30 for a reduction of 81. Two major consolidations are due for early completion. These would combine 51 State committees of the Commission on Civil Rights and 63 district committees of the Small Business Administration into 10 each.

The General Services Administration has overall responsibility for advisory committee management. It plans a further review this year to carry out the President's directive that new committees be established only when essential and existing groups be terminated when no longer necessary.

## Medic Alert Program

*Statement by the President. March 28, 1978*

The high quality of medical services in the United States continues to be a source of national pride. Too often, however, we tend to regard the responsibility for the quality of the medical treatment we receive as resting solely with health care professionals. We often overlook our own responsibility to assure that these professionals have the information necessary to provide proper and effective treatment, especially in emergencies.

For over 20 years, the Medic Alert Foundation International has dedicated itself to serving persons with hidden or special medical problems that cannot easily be seen or recognized. When, in time of emergency, its members may be unable to communicate, the Medic Alert bracelet or necklace indicates the general condition. A wallet card provides more details, and through its unique 24-hour, worldwide emergency medical answering system, Medic Alert gives medical personnel that individual's current situation.

Persons with heart conditions, diabetes, epilepsy, and severe allergies, and those who are taking special medication are among the many whose lives have been saved through the Medic Alert system. Indigent people can receive this valuable service free.

It is appropriate that the people of the United States consider the contributions to the public health of the Medic Alert program.

I applaud the contributions of the Medic Alert program to the public health, and urge Americans to give the Medic Alert program their full support.

## Corporation for Public Broadcasting

*Message to the Congress Transmitting a Report. March 28, 1978*

*To the Congress of the United States:*

Enclosed is the "Annual Report of the Corporation for Public Broadcasting for FY 1977," prepared in accordance with the requirement of Section 396(i) of the Public Broadcasting Act of 1967 (Public Law 90-129) as amended.

The Corporation has again prepared a thoughtful report which highlights its efforts for the past fiscal year. The accomplishments of public broadcasting are well articulated with emphasis on television and radio programming, technological innovation, and human development services.

It should be noted that the projections of long range Federal financial contributions from the Federal Government exceed levels contained in the Administration's legislative proposal to reauthorize the Corporation for the period FY 1981-85.

The Annual Report is being forwarded so that it is available to the Congress for its deliberations.

JIMMY CARTER

The White House,  
March 28, 1978.

NOTE: The 42-page report is entitled "The Corporation for Public Broadcasting 1977 Annual Report."

## Caracas, Venezuela

*Remarks of President Carter and President Carlos Andrés Pérez at the Welcoming Ceremony. March 28, 1978*

PRESIDENT PÉREZ. *Mr. President, Jimmy Carter, Mrs. Rosalynn:*

It is with great satisfaction that we Venezuelans receive today your visit among us. You, President Carter, and your wife have been a very well known spokesman and advocates of the cause of universal democracy. For Venezuela, because of this reason, it is a very special satisfaction to have you here, and it is a great satisfaction for us to see that our homeland is the first country you visit in this trip to Latin America, Mr. President.

You come to Latin America at a time when all of our peoples are directing their eyes and their ears towards the Congress of the United States, towards this great debate which the Senate has at present, which will decide the fate of the relations between South America and North America. Each word pronounced there is of enormous importance, and it will have a very deep impact on Latin America.

When we, the Presidents and Chiefs of State of Latin America, went to Washington and met at the headquarters of the OAS, at that time all of our peoples of Latin America, whatever be their race, their creed, or the origin of their govern-

ment, supported the treaties signed by you, Mr. President, and the Chief of State of Panama, General Omar Torrijos.

Never since the beginning of the Second World War, Latin American countries have expressed such a total solidarity as at that time.

This means that that day, on September 7, 1977, history was written in this hemisphere. This is the date when there was a deletion of the resentment between our peoples. This is the date which put an end to historical circumstances, just as the circumstances that were put to an end in the past between the United States and England, between Latin America and Spain. This is the immense meaning of that date.

And we all trust the Americanistic spirit of the Senate of the United States. We know that Republicans and Democrats represent there the people of the United States and the desire the American people have for liberty, dignity, and the sovereign rights which were first claimed in the United States in 1776, when you achieved your independence.

I say this, as I know that with my words I interpret the feelings of Latin America. We are very optimistic as far as the treaties are concerned, but I must be frank and say that we also see with great concern any parliamentary eventuality which might still appear.

However, we hope that this treaty will be parallel to a new era, this new era the Bicentennial of which you just celebrated in the United States, and we celebrated it with you also. We hope that this new treaty will be the beginning of a new era of new friendship between the United States and Latin America.

This trip, Mr. President, has also another very important meaning, and this trip means the ratification of your pol-

icy towards the problems of the Third World. The two countries you have decided to visit in Latin America are Venezuela and Brazil, and we consider this fact as an expression of your concern towards Latin American problems. Then you will go to Africa and visit Nigeria and Liberia, and again with such a visit, you will ratify the importance you give to Third World problems. We know that the Third World has in you a receptive and sincere listener and a person willing to dialog with the Third World towards the attainment of international justice.

With these brief words, I would like to tell you that your name has achieved today great dimensions in Latin America and in the world, because you have given an ethical meaning to the policies of your Government.

We, the Venezuelan people and the people of Latin America, feel deep satisfaction to see that the President of one of the most powerful countries of the world has given to human rights a high priority in the policies of his Government. These are new ethical values which you have opened in the policies of your country, and this is a new humanistic outlook you have given to world politics in general. And through it, you have helped to strengthen the struggle that people wage throughout the world towards their well-being, but their well-being with dignity.

Mr. President, Mrs. Carter, in the name of Venezuela, of my government, of my wife, and in my own name, I wish you to receive our most friendly welcome, and I would like to ask you to feel at home in this land of our liberator, Simón Bolívar.

PRESIDENT CARTER. *Mr. President, my dear friends:*

Thank you for your welcoming words.

I understand what has been said here. The ratification of the Panama treaties are also important for the United States.

This morning, I left the United States on a journey of 7 days and many thousands of miles. As I left, I told the people of my country that my purpose in making this trip would be to discuss with the leaders of four nations the great issues that will shape our future as a human family: peace, justice among individuals and among nations, the defense of human liberty, how to make the resources of the Earth meet the needs of all the world's people.

There is no place I would rather begin such a journey than here in Venezuela, my Nation's ally in support of democracy and one of the world's leaders in the solution of those issues that trouble us so much.

Of all the ties that unite our nations, none is stronger than the devotion we share to liberty. During my visit, I will place a wreath on the Pantheon of Simón Bolívar, who is as admired by my people as he is by yours. Whenever we honor one defender of liberty, we honor all whose lives served that great cause.

Just as our continents are linked, our destinies are linked as democratic nations.

We know that what in the modern world affects one nation eventually will affect all of us. That is why the strength of your democratic institutions here means so much to us.

We know that whenever the rights of any individual in the world are diminished, our own rights are in danger, and that wherever they are defended, as in Venezuela, our rights are strengthened.

Your country has many times shouldered the burden of reducing regional and international tensions and of attempting to reduce proliferation of conventional and nuclear arms. It is these responsibilities which we share that I wish to discuss with your President and my friend, Carlos Andrés Pérez.

We have united in seeking cooperation on energy and on the economic issues that exist between the nations of the North and South.

Venezuela has been an important and constructive leader in the movement toward greater regional cooperation—in the Andean Pact, in its contribution to the Caribbean Group, and in its creative direction in establishing SELA, the Latin American Economic System.

The people of Venezuela were most gracious and kind in the welcome that was extended to my wife, Rosalynn, on her visit here last year, and I am very happy to return with her.

I am proud to be here among friends.

NOTE: The exchange began at 1:22 p.m. at Simón Bolívar International Airport. President Pérez spoke in Spanish, and his remarks were translated by an interpreter. President Carter also spoke in Spanish, and the translation of his remarks follows the White House press release.

## Caracas, Venezuela

*Remarks at a Wreathlaying Ceremony at the Tomb of Simón Bolívar. March 28, 1978*

I want to speak to all the Venezuelans and to the rest of our friends gathered here.

I am very moved. I have just offered in the name of my people the affection and respect due to the liberator Simón Bolívar. I have also just set foot on Venezuelan soil and felt the generous friendship of this great democracy.

Bolívar has not plowed in the sea. His inspiring presence and the goals that our two countries share are forces that inspire me and give me confidence in the success of our struggle for the dignity of man and the well-being of peoples in the Americas and throughout the world.

His dream and the dream of George Washington, of San Martín, of all those who struggle today for human liberty, will triumph.

I am happy to be with you.

*Viva Venezuela!*

Thank you very much.

NOTE: The President spoke at 2:57 p.m. at the Pantheon Plaza. He spoke in Spanish, and the translation of his remarks follows the White House press release.

Following the ceremony, President Carter and President Pérez proceeded to La Casona, the presidential residence, for meetings.

## Caracas, Venezuela

***Informal Exchange With Reporters Following Meetings Between President Carter and President Pérez. March 28, 1978***

PRESIDENT CARTER. We signed agreements this afternoon between Venezuela and the United States which determined the maritime boundaries between ourselves and Venezuela.

This is the first agreement that Venezuela has signed with any other country. And the next step would be to reach an agreement on fishing rights between our two countries and the marine areas that we both control.

We also signed a very important agreement between ourselves and Venezuela to control narcotics. We have an increasing problem between South America and North America in the shipment of narcotics between the two continents, and we have already begun to cooperate very closely between our two countries to control these illegal shipments.

I might say that between the United States and Venezuela there are very few differences. I am blessed by having a friend in President Pérez with great ex-

perience in international affairs and also a great interest in the affairs of the world.

He also has a different perspective from the one that the President of the United States might have, and he has been a very good counselor for me in understanding the relationships that exist between the developed, industrial nations of the world on the one hand and the developing nations on the other.

So, we just expressed this afternoon new agreements that typify the good relations between us and the people of Venezuela.

Q. Do you think that the trade laws that affect foreign trade in our country might be derelict by the Congress of the United States?

PRESIDENT CARTER. Of course, we already enjoy a great trade with Venezuela. We purchase from your country roughly \$4 billion worth of oil and other products each year. We sell to Venezuela about \$1 billion less, about \$3 billion.

I would guess that in the future we would move to increase the opportunities for trade and to remove any obstacles to favored-nation status that exist.

At the present time, our laws passed by Congress prevent the preferred trading status among nations who sell large quantities of oil, because they are soon to be very rich. But this may be changed in the future, and I would be glad to see the changes made.

Q. Could we ask both of you to comment on something? The Saudis have said they cannot promise to hold down the price of oil if the U.S. dollar continues to decline. Did the two of you discuss this today? And what is your understanding of President Pérez' position on this?

PRESIDENT CARTER. I might add that this afternoon we limited our discussions to political matters and to matters of



bilateral nature and also international affairs.

Tomorrow morning we will continue our discussions, and they will be devoted to economic matters, including, of course, the value of the dollar, the price of oil, and other similar subjects. We have not yet discussed those subjects.

Q. Mr. President, did both of you discuss the question of human rights in a general way, and specifically, was there any discussion of criticism concerning the situation in Nicaragua and our position as opposed to the Venezuelan position?

PRESIDENT CARTER. It doesn't take long to discuss the question of human rights with the Venezuelan leaders, because we are in complete harmony on this subject.

I would say that Venezuela took a very early and very strong position on human rights, which we later adopted as our own. And we have worked closely with them, in the Organization of American States and individually with countries where human rights were threatened, to bring about a realization of those hopes that we both share.

We have had discussion about the situation in Nicaragua not only this afternoon, but President Pérez and I have exchanged correspondence continually about it, and several letters.

I have derived a great benefit from his advice. We are both concerned about the situation in Nicaragua, and we both feel that a delegation from the United Nations or the OAS should be welcomed into Nicaragua, and other countries where human rights are threatened, to provide the facts to the outside world.

We have a policy in our country, which I am insistent in maintaining, of not intervening in the internal affairs of other nations. But we have a right to express our own selves forcefully and also to encourage action on the part of the United

Nations and OAS in going into countries to determine the facts.

I am sure that President Pérez would like to reply as well.

Q. Did you say also that there is no difference of opinion between the two of you on the question of Nicaragua?

PRESIDENT PÉREZ. [*President Pérez responded in Spanish.*]

PRESIDENT CARTER. Tomorrow we will make every attempt, President Pérez and I, to find some differences between ourselves and between our countries that might serve to titillate the press and to make a more newsworthy story. But I think President Pérez has accurately described the situation. We discussed these issues very thoroughly, and although I don't know the details of the beliefs of the officials of Venezuela, we did not detect any differences between us.

Thank you very much.

NOTE: The exchange began at 5:30 p.m. at La Casona.

As printed above, the item follows the White House press release.

## Caracas, Venezuela

*Toast at the State Dinner. March 28, 1978*

*President and Mrs. Pérez, distinguished friends from Venezuela and from my own country:*

It is a great honor and a pleasure for us—my wife, my daughter, and I—to be here with you.

I speak a little better Spanish than I understand, and I may have gotten a few words of the President incorrectly, and I'm sure he'll correct me tomorrow morning if I make a mistake. But I would like to thank him for his offer to reduce the price of oil 5 percent each year for the next 5 years and to lend the United States enough to balance our budget next year.

Thank you very much, Mr. President.  
[*Laughter*]

I cannot hope to match the richness and the profound remarks of President Pérez. I will try to respond more fully to economic matters in my speech tomorrow morning to the Congress of Venezuela. But tonight, I do want to offer a few comments of my own.

As I said, I'm delighted to be with friends in Venezuela, not only because of the path that our nations are walking together but also because of the rare, personal friendship that has developed between President Pérez and me.

Since I took office, I've had an opportunity to meet with many foreign leaders—last year, more than 65. And in different ways, I have learned a lot about them all. But there are no others who have equaled the guidance and the vision of President Pérez, nor with whom I have felt such kinship of purpose. It is no coincidence that this is the third opportunity which I have arranged for extensive consultations with him.

President Pérez knows that I look upon him, in spite of his great youth, as a senior statesman. And he deserves this title in the finest sense of the term, for he has proven his statesmanship and also the maturity of his judgment.

The most satisfying aspect of our friendship is that it clearly reflects the compatibility between our governments and also between our people.

Venezuela proclaims its belief that the cause of human rights must and will prevail, and we agree. Venezuelans are working to prevent the proliferation of nuclear weapons, and so are we.

The leaders of your country believe that each nation of the world should be free to manage its own internal affairs, free from unwarranted outside intervention, and the same belief exists among the leaders of our people in the United States.

We both believe that people in every part of the world, under every economic system, should have democratic rights to participate in their own government and to shape their own destiny. We both know that nations with wealth to spare have an obligation to share it. And here, as in other areas, Venezuela has set an example for us to try to equal. We both are aware of the increasing sense of regional need and common purpose that exists among the nations of the Caribbean and of that nation's tremendous potential for future growth and harmony.

Venezuela and the United States are both attempting to restrict the excessive trade in weapons and to reduce the arsenals which already exist, and we will redouble our common efforts in the near future to realize this hope.

We both believe that nations must cooperate in the world's energy problems through conservation, better distribution, research and development, and exploration of new energy sources. We both believe that direct consultations and negotiations among nations can resolve even major differences and are the surest path to peace.

We both have learned through happy experience that exchanges among our people, especially students, can build permanent bonds of understanding between us.

Venezuela again has shown how these bonds are built with the Ayacucho Foundation, which permits students from each country to study in the other. Because of this visit and others on my journey, and in memory of your friend, our great American statesman, Hubert Humphrey, I would like to announce tonight my intention to establish a program of Humphrey scholarships which will bring poor but outstanding students from Latin America and throughout the world to study in the colleges of the United States.

In this spirit of harmony and obvious cooperation, in the warmth of personal friendship which I feel around us tonight, I offer a toast to the leader and to the nation with whom we share so much and from whom we learn so much.

To President Pérez and to the people of the great nation of Venezuela.

NOTE: The President spoke at 8:40 p.m. at La Casona in response to a toast by President Pérez.

## Caracas, Venezuela

*Remarks Before the Venezuelan Congress.  
March 29, 1978*

*Señor Presidente del Congreso, Señor Vice Presidente, Señores Senadores, Señores Diputados, Señora Blanca de Pérez, señoras y señores:*

I'm honored today to stand in this free assembly of one of the greatest nations on Earth, to bring warm greetings from the people of the United States, whose love of liberty is as deep as your own.

Our nations are joined not just by common interests but by the strongest and the most lasting bond of all—that of shared ideals.

Venezuela stands high among those who have defended the cause of democracy.

A century and a half ago, you gave to the world Simón Bolívar, a symbol of liberty whose example reaches far beyond the Americas. Now Venezuela provides unmistakable proof that political liberty and economic progress need not be conflicting ideals, but can strengthen one another.

Nearly 200 years ago, General Francisco de Miranda traveled through my own country as he prepared for the struggle to free Venezuela. And last year, your President and my friend, Carlos Andrés

Pérez, retraced that journey, and with each step he took in my own country, he understood even better our traditional, common commitment to democratic values.

Your country has worked tirelessly and with success for wider adoption of the American Convention on Human Rights and strengthening of the Inter-American Human Rights Commission. We believe, as you do, that none of us can enjoy true liberty when others are oppressed.

Your country and others in Latin America and in the Caribbean have taken the lead in another area, which will have an equally profound effect on the world of the future: the relationship between the advanced industrial nations which have the greatest share of influence and material goods on the one hand, and the poor and developing nations of the world, who are understandably seeking a larger and more equitable share.

Before the Organization of American States last year, I stated that the economic issues of central concern to the United States and to Latin America are global issues and that they need to be addressed in a continuing dialog between the rich and the poor nations.

Closer consultation among our nations would lead to greater harmony, better collective judgment which can avoid mistakes, and the prevention of inadvertent injury to those who are weak and most vulnerable.

Today I would like to discuss with you the responsibility we share—developed and developing countries alike—for creating a more just international order.

I want to discuss a vision of what our world can become—whether it will be a world of inequality and want, or one of partnership and fulfillment; whether we anticipate the changes that must inevitably come and adopt them, or turn our backs on the future, vainly believing that change can be forestalled.

Last night, as President Pérez said in his eloquent and significant address, and I quote him, "Of all Utopias, the most dangerous is the one of those who think that the world can continue as it is or as it was conceived 30 years ago."

These reflections lead us to the fundamental statement that the crisis that affects the world now has very deep roots. We are living through a moral crisis, a crisis of ethical principles.

Political, economic, and social changes have already transformed our modern world. The old colonial empires have fallen, and more than a hundred new independent nations have risen in their place.

Our nations are more dependent on one another economically, more willing to deal with each other as equals, more able to influence one another—either for good or for ill—than ever before in human history.

We must all acknowledge this basic fact: that we share responsibility for solving our common problems. Our specific obligations will be different, our interests and our emphases will, of course, vary, but all of us, North and South, East and West, must bear our part of the burden.

If the responsibility for global progress is not shared, our efforts will certainly fail. Only if the responsibility is shared may we attain the goals that our people want and that our times demand.

We share three common goals: first, to accelerate world economic growth through greater involvement of the developing nations, for their progress is essential to global prosperity for us all; second, to make the most beneficial use of the world's greatest wealth, its human potential; and third, to ensure that all nations participate fully in basic decisions about international economic and political affairs.

Only by acting together can we expand trade and investment in order to create

more jobs, to curb inflation, and to raise the standard of living of our peoples.

The industrial nations share the same problems and cannot by themselves bring about world economic recovery. Strong growth and expansion in the developing countries are essential, and as they succeed, they must be prepared—and this is difficult—for the responsibilities of success in this highly competitive world economy.

There are five steps we must take together: increasing capital flow to the developing nations; building a fairer and a more open system of world trade; working to moderate disruptive price movements in the world economy; co-operating on energy conservation and development; and strengthening technological capabilities in the developing world.

None of these tasks is simple, and each demands efforts from all sides.

Private institutions and investors will continue to play the major part in increasing capital flows, but capital supplied by public institutions and governments is also, of course, critical to development.

We in the United States will do our part. In managing the international economy, we place particular importance on the expansion of the International Monetary Fund, which helps both developing nations and also the industrial nations to overcome their balance of payments problems.

We in the United States will press for swift congressional approval of our own substantial contribution to the supplementary financing facility, \$10 billion, recommended by Mr. Witteveen.<sup>1</sup>

The international development banks are fundamental to the health of the world economy. They contribute to the

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<sup>1</sup> H. Johannes Witteveen, Managing Director and Chairman of the Board of Executive Directors, International Monetary Fund.

growth and development of many nations and thus to the expansion of world trade.

In the years ahead, the United States plans to increase its contributions, and we will work with other nations to ensure that these institutions receive the support they need.

Bilateral economic assistance also has a major role to play. I've requested, for instance, that Congress approve a 28-percent increase in our program just for the coming year alone.

I applaud the efforts of Venezuela and other developing countries to expand your own programs of economic assistance. All of the OPEC nations have a responsibility to use their surplus wealth to meet the human needs of the world's people.

In some cases, the burden of repayment of official development aid has become an impediment to development. My administration is supporting legislation, now before the Congress, which will allow us to ease the terms of past American aid loans to some of the least developed nations.

We must work towards an expanded and more equitable trading system. In no area of economic relations is the opportunity of Latin America greater—nor the responsibility more serious—than is expanded trade.

The multilateral trade negotiations now going on in Geneva are the focal point of continued efforts to liberalize trade and to strengthen the rules for international commerce. Both developed and developing nations have an enormous stake in the success of these negotiations.

We must all resist the temptation to impose new restrictions on imports. We must all strive to reduce existing barriers to trade, both tariffs and other measures, while giving special consideration and benefits to the developing countries.

We must also work to moderate disruptive price movements in the world econ-

omy and to stabilize the prices of primary commodities. Reasonable and stable export prices can hold down inflation and encourage better income and a more regular flow of new investment capital to those who produce raw materials.

All nations can therefore gain from the negotiation and effective implementation of commodity agreements and from the creation, with the help of the United States and other major countries, of a common fund for price stabilization.

We've already begun to cooperate and plan for the wise use of the Earth's limited resources, such as food, and now we must do the same with energy.

Both the industrial and the developing countries must conserve energy and devote more of our vast technological efforts and resources to worldwide efforts to develop new sources of energy, such as the Sun and, as Latin American nations have already shown us, even from sugar and from other agricultural products. We must do so without either destroying our environment or creating a world of proliferating nuclear explosives.

For the rest of this century, the greatest potential for growth is in the developing world. To become more self-reliant, developing nations need to strengthen their technological capabilities. To assist them, I am proposing a new United States foundation for technological collaboration.

Through private and public foundations and through our increasing participation in the United Nations conferences, we can make technical and scientific cooperation a key element in our relationship.

Our main task as members of a world community is to work toward the day when every person has a fair chance to achieve a full measure of human potential.

The population of the world is increasing rapidly, and within two decades, it is

expected that two-thirds of the world's population, even more, will live in Asia, Africa, and Latin America.

We want every child to be a wanted child, and we realize that already three of every five children in the developing world do not receive the basic requisites of a healthy diet, and nearly two-thirds of the world's population in the Third World do not have access to water that is safe to drink.

These conditions and others offend the conscience of mankind, for the human rights we believe in so deeply include not only the right to be free and to avoid mistreatment from government but also the right to a fair chance for a decent life.

Throughout the world, the fruits of growth have been very unequally distributed. Among nations and within nations, wealth coexists with abject poverty and suffering.

Our economic progress is inadequate if its benefits do not reach all the people. Rich and poor nations alike should devote more attention to raising the minimum standards of living for the poorest of our fellow human beings.

The United States will increase its efforts, particularly in those countries where governments are themselves most committed to meeting the basic needs of their people for health, education, shelter, and to increasing their own food production.

We will contribute, for instance, a minimum of 4.5 million tons of grain to a new food aid convention. We support the international food aid target of 10 million tons, and we are willing to join other nations in increasing the amount, particularly in years of severe food shortages.

As for the political liberties that are also part of basic human rights, we believe that democracy provides the best system to attain this goal and that the in-

ternational community has a special responsibility to support countries that are moving to institute democratic procedures and institutions.

There can be no question that the institutions we have created must adapt to a changing and diverse world. And that is our third goal.

The individuality and the sovereignty of nations must be respected. Intervention in the internal affairs of others must be opposed.

There must also be a reversal in the massive and excessive weapons sales that are being made from my own and from other industrialized countries to the poorer nations, which still have profound and unmet social and economic needs.

Just as all people should participate in the government decisions that affect their own lives, so should all nations participate in the international decisions that affect their own well-being.

The United States is eager to work with you, as we have in the past, to shape a more just international economic and political order.

Both the industrialized nations, which have greater influence in institutions like the International Monetary Fund and the World Bank, and the developing nations, with great influence in organizations like the United Nations Conference on Trade and Development, must share the responsibility for opening the international system to different views.

The Conference on International Economic Cooperation, in which Venezuela, as you know, played such a major and pivotal role, was a useful start toward the global dialog which we seek. A newly created committee of the United Nations General Assembly will carry on that work.

As we move toward an improved international economic order, we must think beyond institutions and measure the impact of change on the daily lives of people.

We recognize our differences, but we cannot allow them to blind us to the problems and the tremendous opportunities which we share.

When I was growing up in the Deep South of the United States, we farmed exactly as our grandfathers had farmed, rising before dawn and laboring manually until sunset. We had no tractors and little machinery of any kind, and even as we worked, we often knew that we were reducing our future yields, that the richness of our land was blowing away in the wind or washing away in the rains.

When we farmed out our land, we had no choice but to keep on farming it and working in the same fields, because many of us lacked the knowledge or the means to make it fruitful again.

I remember the almost unbelievable change the coming of electric power made in the farm life of my childhood. Electricity freed us from the continuing burdens of pumping water and sawing wood and lighting fires in the cooking stove. But it did even more—it gave us light by which to read and to study at night. It gave us power—not just to perform the old exhausting tasks, but power to make our own choices. Because electric power came to us through cooperatives, in which we all had to share the responsibility for a decision, it changed our lives in other ways.

Farmers began to meet together to discuss local needs and national issues and to decide how to influence government and to negotiate with large, far-off companies that provided their supplies. I've seen the farm life that I knew in my childhood transformed by energy and by technology and increased knowledge, and by the opportunity to participate in the decisions that affect ourselves and our families.

I can understand the unfulfilled yearnings of other people in developing nations to share these blessings of life. All

nations must work together to acknowledge the validity of these yearnings, to take into full account the need and diversity of developing nations, and to promote mutual participation in making the international decisions that affect us all.

I've spoken to you of shared obligations. The industrial nations must provide long-term capital and reduced trade barriers. The developing nations must assume the obligations that accompany responsible participation in an evolving world economy.

Real progress will come through specific, cooperative actions designed to meet specific needs—not through symbolic statements made by the rich industrial nations to salve our conscience, nor by the developing countries to recall past injustices. We need to share a responsibility for solving problems and not to divide the blame for ignoring the problems.

I believe that your great country and mine share a vision of an international system in which each individual and each nation has a part, in which each individual and each nation has the hope of a better future. Only in such a world can life be good for all its people.

Thank you very much.

NOTE: The President spoke at 8:30 a.m. in the Senate Chamber of the Congress. In his opening remarks, he referred to President of the Congress Gonzalo Barrios and Vice President of the Congress Dagoberto Gonzalez.

Following his remarks, the President proceeded to the Palacio de Miraflores for meetings with President Pérez.

## Caracas, Venezuela

*Joint Communiqué Issued at the Conclusion of Meetings Between President Carter and President Pérez. March 29, 1978*

The President of the United States of America and Mrs. Jimmy Carter visited

Caracas March 28–29, 1978, at the invitation of President Carlos Andrés Pérez. The President and Mrs. Carter were accompanied by the Secretary of State and Mrs. Cyrus Vance, Dr. Zbigniew Brzezinski, Assistant Secretary of State for Inter-American Affairs Terence A. Todman, and Director of Policy Planning for the Department of State W. Anthony Lake.

The visit reflected the close relations between Venezuela and the United States and served to continue their dialogue initiated in 1977 on the occasion of the visits which the Venezuelan President made to Washington.

The two Presidents reaffirmed their commitment to the preservation and strengthening of democracy and placed particular emphasis on the importance of human rights as a duty of all societies and their commitment to the charters of the Organization of American States and the United Nations. Both Presidents expressed the hope that the American Convention on Human Rights will soon enter into force and manifested their Governments' interest in seeing both the autonomy and resources of the Inter-American Human Rights Commission increased, agreeing in their belief that the Commission has an essential role to play in the effective promotion of Human Rights in the Hemisphere.

The Presidents discussed the ratification of the Panama Canal treaties signed at the OAS Headquarters in Washington by the President of the United States of America and the Head of Government of Panama which is now being considered by the Senate of the United States of America. They expressed the hope that the process will be successfully concluded to strengthen a new spirit of cooperation in the relations between the United States of America and the Peoples of Latin America.

The Heads of State examined the present state of the world economy, including the prospects for international cooperation on the issues of development, trade, basic commodities, energy, the effects of inflation and the international monetary system.

Both Presidents agree on the need for an international code of conduct relating to the activities of transnational corporations. They condemned the practice of bribes and illicit payments and called for support of an international convention on illicit payments.

The Presidents reaffirmed the importance and the utility of additional consultations within the context of the North-South dialogue within the United Nations and other world organizations. They agreed on the importance of early implementation of the commitments made at the Conference of International Economic Cooperation, in which Venezuela played a leading role. Both Presidents expressed their support for a more just and equitable international system, with both developed and developing countries sharing responsibility for it.

The Presidents examined the world's political situation and condemned the presence of foreign forces in Africa. They reiterated their condemnation of apartheid as an unacceptable negation of human rights. They expressed their total support for the independence of Zimbabwe in accordance with norms of the United Nations and for the independence of Namibia within the framework of United Nations Resolution 385.

The Presidents exchanged views concerning the situation in the Middle East and deplored the recent violence which occurred in that area. They agreed that it is necessary and urgent to intensify efforts to achieve a just, comprehensive and durable peace based on UNSC Resolutions 242 and 338. They stressed the impor-



tance of withdrawal on all fronts pursuant to Resolution 242 and the resolution of all aspects of the Palestinian question.

They noted their meeting coincided with the opening of the Seventh Session of the United Nations Conference on Law of the Sea, which held its first substantive meeting in Caracas four years ago. They agreed that it is essential that the conference reach agreements which are just and fair for all countries.

The two Presidents dedicated an important portion of their time to the consideration of the idea already agreed to in Washington in 1977 concerning the development program for the Caribbean basin. They examined the role played in the preliminary studies by the World Bank as well as by other international institutions. Even as they manifested their satisfaction with the process already under way, they agreed that it is urgent to bring this idea to fruition and to promote cooperation between the countries of that area and the rest of Latin America in such a way as to help the states of the Caribbean in their effort for a viable development which satisfies their own aspirations.

The themes concerning Latin American economic integration were the object of particular attention. The Presidents examined the progress of the Andean Pact, its important program agreements signed in 1977, the functioning of LAFTA and the progress of SELA. Both Presidents recognized the important cooperative effort of the countries of the area reflected in the different programs of regional integration and manifested their sympathy and support for these programs.

With relation to nuclear non-proliferation the two Presidents took note of the necessity for implementing greater safeguards and making greater use of nuclear energy for peaceful purposes once the risks, not yet resolved, are taken care of. The Presidents gave special importance to

the entry into force of the Treaty of Tlatelolco, and noted with satisfaction the progress in the International Nuclear Fuel Cycle Evaluation.

The Presidents exchanged ideas about arms restraint in Latin America. They expressed their disquiet with growing arms purchases and in the resurgence of old conflicts. They agreed that it is urgent to restrict the transfer of conventional weapons as was envisaged in the 1974 Ayacucho Declaration.

They discussed the United Nations Special Session on Disarmament and agreed that the Session should provide a stimulus to further concrete disarmament efforts.

Insofar as bilateral matters are concerned they confirmed the importance of cooperation in the field of energy and the continuing participation of Venezuelan petroleum exports in the United States market. They considered useful the results of the meeting held at the beginning of March between the Venezuelan Minister of Mines and Energy and the U.S. Secretary of Energy pointing out the possibility of cooperation for the development of heavy crudes. The two Presidents reaffirmed their desire to continue consultations both at the technical level and at the political level on energy matters as well as to establish periodic consultations on economic and commercial matters.

The two Presidents took note with satisfaction of the signature during the visit of the Treaty on Maritime Boundaries between the two countries and a Memorandum of Understanding on Narcotics and of the prospects of negotiating other agreements, reflecting the spirit of cooperation existing between the two countries.

The two Chiefs of State expressed their complete personal satisfaction with the results of their conversations and took note that this state visit, the third meet-

ing between them during the last year, was a demonstration of their interest in continuing their consultations on world matters of importance to the two countries.

Upon ending his stay in Venezuela, President and Mrs. Carter thanked President Pérez for the cordial hospitality offered them and their official party by the Venezuelan people and government.

NOTE: The text of the joint communique was released at Caracas, Venezuela.

## Brasília, Brazil

*Remarks of President Carter and President Ernesto Geisel at the Welcoming Ceremony, March 29, 1978*

PRESIDENT GEISEL. *Your Excellency, President of the United States of America:*

In the name of the Government and the people of Brazil, I should like to express my warmest words of welcome to Your Excellency and to Mrs. Carter, as well as to the members of your party, and wish you a happy stay in Brazil.

Your Excellency's presence in our country well reflects the stage reached by the traditional friendship that links Brazil and the United States of America. I am happy, therefore, that Your Excellency was able to carry out your plans for travel. And I must state that I understood perfectly well the decision you had to take regarding the postponement of the original date foreseen for your visit.

Your Excellency has already been to our country before taking on your heavy responsibilities, and Mrs. Carter more recently gave us the pleasure of her agreeable company when she visited us last year.

As it has happened before, Your Excellency and Mrs. Carter will be welcomed as

friends by the Brazilians. The hospitality with which we greet those who visit us cordially will be with you during all the time you are in our country. We will be extremely satisfied if the present visit may assist Your Excellency and Mrs. Carter in forming a fair opinion about the Brazilian reality.

Personally, I believe that our talks will be rewarding and that they will allow for a renewed trust in the relations between our two countries.

PRESIDENT CARTER. Thank you, Mr. President, for your kind words of welcome.

This is my second visit to your beautiful capital city of Brasília, and this time I am pleased to bring not only my own personal words of personal greeting but those of the people of my country as well. And I come to Brazil with a full realization that our two nations share the responsibilities of great world powers.

There are many things in our histories that make us understand one another, that have taught us both to treat the other with friendship and respect. We both earned our freedom from European colonial powers, and in this century our soldiers fought side by side in Europe during the World Wars to bring peace and freedom to others.

We have both expanded through our great national frontiers which have provided our most difficult challenges and our best opportunities, and we have applied the determination and the talent of our people to conquer them.

The frontier spirit truly has shaped the attitudes of Brazil and of the United States. We both built new capitals as acts of faith in our own future—you, 18 years ago here in the Sertao; our ancestors, nearly 200 years ago along the Potomac River.

We are both proud of the human diversity of our national population, and we

value our unique cultures, which we are determined to preserve.

I have seen the greatness of Brazil during my visits to Manaus, to Belém, Recife, to São Paulo, and to Rio de Janeiro.

Brazil's rise to world leadership has earned the admiration of the people everywhere in the world, but nowhere more so than in the United States. Yours is the fifth largest nation and the sixth most populous. Your national product is already the world's eighth largest, and it is growing at one of the fastest rates in the world.

You have the vision, the energy, and the creativity of a truly great power, and the world must depend upon you to apply those talents to the problems that affect us all.

Both our nations are turning to nuclear power as one of the answers to our energy problem, and we both believe that peaceful use of atomic power is not incompatible with the need to prevent nuclear proliferation.

Like you, my Nation is concerned that the system of world trade be made fairer and more open and that all nations have an equal chance to participate.

Today all of us are joining in the worldwide struggle to advance the cause of human freedom and the rule of law. This is a struggle that will prevail only when we are willing to recognize our own limitations and to speak to each other frankly and with understanding.

Our friendship with Brazil is an old one. In 1824 the United States was the first nation to recognize your independence. Our friendship can be even stronger now as we accept as equals the responsibilities the world asks of us.

Mr. President, I must not fail to mention with gratitude your sharing with us one of Brazil's greatest treasures, perhaps the greatest athlete of all, the incomparable Pêlé. He is a friend of mine, and his courage on the playing field has been an inspiration to the people of the United States.

My wife, Rosalynn, visited you last year, and her accounts of your hospitality and your very useful discussions, Mr. President, made me all the more eager to visit Brazil once more.

We both know that personal contact between leaders can build understanding between nations, and I believe that our conversations will result in a reaffirmation of the mutual respect and friendship that has blessed our two nations for so long a time.

Thank you very much.

NOTE: The exchange began at 5:08 p.m. at the Aeroporto Militar. President Geisel spoke in Portuguese, and his remarks were translated by an interpreter.

Following the ceremony, President Carter proceeded to the Palácio do Planalto for meetings with President Geisel.

In the evening, the President attended a working dinner hosted by President Geisel at the Palácio da Alvorada.

## THE PRESIDENT'S NEWS CONFERENCE OF MARCH 30, 1978

*Held in Brasília, Brazil*

THE PRESIDENT. Good morning, ladies and gentlemen. I'm very delighted to be here in Brasília to participate in a live press conference, and I will alternate questions between the Brazilian and the American press.

I'll begin with Mr. Bonfim.

### U.S.-BRAZILIAN RELATIONS

Q. [*in Portuguese*] Mr. President, at the beginning of your administration there was a clear tendency to isolate and treat Brazil coldly in favor of democratically elected governments, elected by the people.

Yesterday at the airport you stressed the need for cooperation between Brazil

and the United States as equal partners. Who has changed, Brazil or you?

THE PRESIDENT. Well, I certainly have not changed. The experience that I have had in Brazil as Governor of Georgia before I became President made Brazil the most important country to me. I and my wife visited it frequently. We had a partnership arrangement between my own State and the State of Pernambuco.

We studied the background, the history, the culture, and the government of Brazil. And there has not ever been any inclination on my part or the part of my administration to underestimate the extreme importance of Brazil as a major world power, nor to underestimate the extreme importance of very close and harmonious relationships between the United States and Brazil.

There are some differences of opinion between ourselves and Brazil which have been very highly publicized. But on the long scale of things, both in the past history and in the future, the major factors which bind us in harmony with Brazil far transcend, are much more important than the differences that have been published between our approach to human rights, for instance, and the subject of nonproliferation of nuclear weapons.

But our commitment to Brazil as a friend, our need for Brazil as a partner and a friend has always been the case and is presently very important to us and will always be that important in the future.

Helen [Helen Thomas, United Press International].

#### THE MIDDLE EAST

Q. Mr. President, in recent days, you've seen the use of American military supplies to invade a country and to cause untold suffering to hundreds of thou-

sands. Some say this is the violation of U.S. law. In view of the facts that you have before you, is it a violation; and two, has it caused you to reassess your warplane package for the Middle East?

THE PRESIDENT. Are you referring to the Lebanon question?

Q. Yes.

THE PRESIDENT. As you know, when the terrorist attacks in Israel precipitated the countermove by Israel into Lebanon, which has been a haven for the Palestinian terrorists, the United States took the initiative in the United Nations—I might say, without the approval of Israel—to initiate United Nations action there to expedite the removal of Israeli forces from Lebanon.

We have obviously attempted to comply with the law, and this is a matter that we are still addressing. The other part of your question?

Q. Has it caused you to reassess your package of warplanes for the Middle East, and how do you say you have attempted to comply with the law?

THE PRESIDENT. Well, we're attempting to terminate as rapidly as possible the military presence of Israel in southern Lebanon through United Nations action. I believe this is the proper way to do it, rather than unilateral action on our part, which would probably be unsuccessful in any case to get Israel to withdraw. The presence of United Nations forces, the French, the Swedes, and others, I believe, is the preferable way, and it marshals the opinion of the entire world, through the United Nations, against the Israeli presence being retained in Lebanon.

This has not caused me to reassess the American position on the sale of warplanes and other equipment to the Middle East. This is a very well balanced package. It emphasizes our interest in military security of the Middle East. It does not change at all the fact that Israel still re-

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# PHOTOGRAPHIC PORTFOLIO

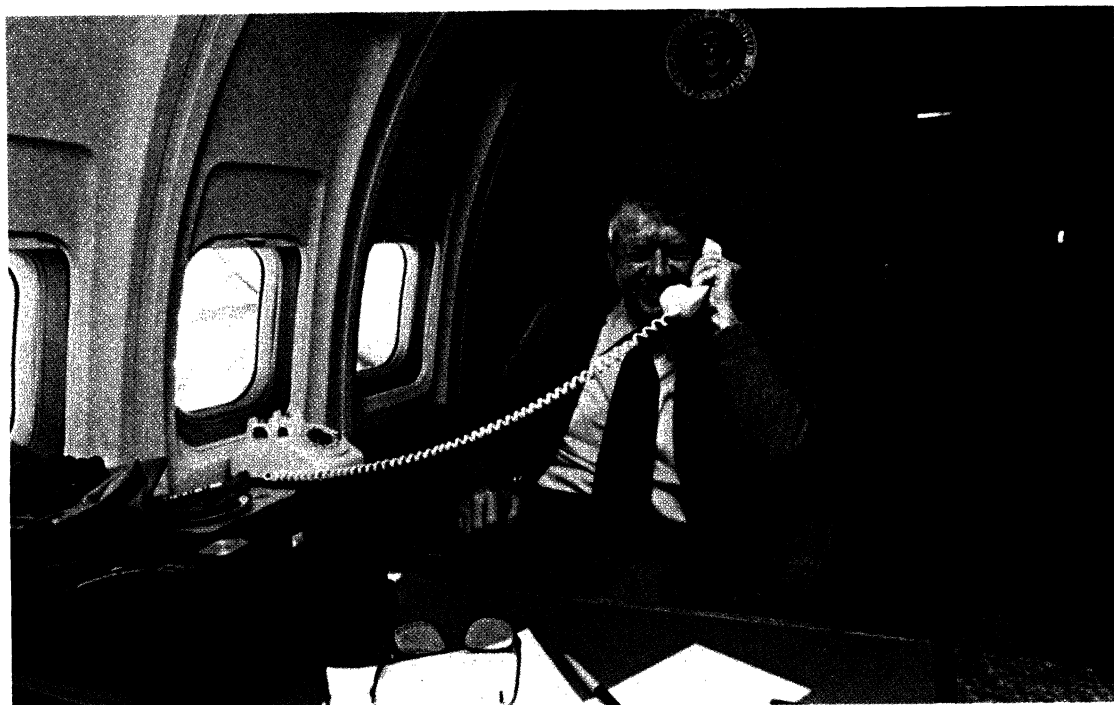
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President Jimmy Carter





**Overleaf:** The President and General Torrijos at the signing ceremony for the protocol of exchange of instruments of ratification regarding the Panama Canal treaties in Panama City, Panama, June 16. **Above:** With Prime Minister Desai during the welcoming ceremony in New Delhi, India, January 1. **Left:** Visiting the village of Carterpuri in India, January 3. **Above right:** On board Air Force One during the overseas trip, January 4. **Below right:** Visiting Normandy Beach with President Giscard d'Estaing of France, January 5.









*Left:* Talking with former Presidents Nixon and Ford at the Capitol prior to memorial services for Senator Hubert H. Humphrey, January 15. *Right:* Walking with President Sadat of Egypt at Camp David, Md., February 4. *Below:* Meeting with representatives of black media associations in the Cabinet Room, February 16.





*Left:* Following developments in the coal strike with advisers in the Oval Office, February 20. *Below:* Welcoming President Tito of Yugoslavia to the White House, March 7. *Above right:* Talking with Prime Minister Begin of Israel and foreign policy advisers in the Cabinet Room, March 22. *Below right:* News conference in Brasília during the state visit to Brazil, March 20.





*Right:* Riding through the streets of Monrovia with President Tolbert during the state visit to Liberia, April 3. *Below:* Visiting the Miraflores Locks in the Panama Canal Zone during the visit to Panama, June 17.



tains a predominant air capability and military capability. There is no threat to their security. But it also lets the nations involved and the world know that our friendship, our partnership, our sharing of military equipment with the moderate Arab nations is an important permanent factor of our foreign policy.

#### U.S. COMMERCIAL BANK LOANS TO BRAZIL

Q. Mr. President, from *Jornal do Brasil*. The American commercial banks are the main Brazilian source of external credit. It seems to some people in Washington that sooner or later a Congressman may try to establish a link between the commercial banking loans and the human rights policy. I'd like to know your opinion about this subject.

THE PRESIDENT. Brazil is a major trading partner of the United States in commercial goods and also in loans and, I might say, timely repayments. The debt of Brazil is very manageable. The loans of the American banks to Brazil are sound. Additional loans are being pursued by the American banks as an excellent advantage for their future investments in Brazil, based on the strength of your country. It would be inconceivable to me that any act of Congress would try to restrict the lending of money by American private banks to Brazil under any circumstances.

This would violate the principles of our own free enterprise system, and if such an act was passed by Congress, I would not approve it.

#### FREE ENTERPRISE AND HUMAN RIGHTS

Q. What comes in the first place for you: the private enterprise and the private system or the human rights policy?

THE PRESIDENT. Well, they're both important to us. And I don't see any incompatibility between a belief in a free enterprise system, where government does

not dominate the banks or the production of agricultural products or commercial products on the one hand, and a deep and consistent and permanent and strong belief in enhancing human rights around the world.

I might say that the American business community, the Congress of the United States, the general populace of the United States supports completely a commitment of our Nation to human rights. It's a basic element of our national consciousness that has no violation at all—or no conflict between human rights on the one hand and the free enterprise system on the other.

#### NAMIBIA

Q. Mr. President, tomorrow you fly to Africa. What can you tell us today about the revised five-power proposals on Namibia?

THE PRESIDENT. As you know, under the auspices of the United Nations, our own country, Canada, Britain, France, and the Federal Republic of Germany have been working jointly to present to South Africa and to the so-called SWAPO organization, South West Africa Political Organization, a compromise solution to restoring majority rule in Namibia.

We have presented this proposal this week to the South African Government, which now controls Namibia, and also to the SWAPO leaders. We are hopeful that if the proposal is not completely acceptable to both those parties, that it will at least be acceptable enough to prevent unilateral action on the part of South Africa to hold elections in complete violation of the United Nations resolutions and in complete violation of the principle of restoring majority rule to Namibia.

I can't tell you what the outcome of those consultations will be. I will get a more complete report when I arrive in Lagos. Ambassador Young has been in

Africa now for about a week. This is one of the reasons that he is there. And I will be glad to give you a more detailed report after I get additional information.

#### NUCLEAR ENERGY AND NONPROLIFERATION

Q. Mr. President, now that you have a broad nonproliferation act in your hands, do you expect you can persuade Brazil to give up reprocessing and enrichment technology being acquired from Germany? And in that case, what are the carrots you might specifically use to further the power of your arguments in your meetings with President Geisel?

THE PRESIDENT. Well, we strongly favor the right of any country to have part of its energy supplies come from nuclear power. As you know, our country has been the leader in the evolution of atomic power for peaceful uses, and we would do nothing to prevent this trend continuing, both in Brazil and in other countries around the world.

Our own nuclear nonproliferation policy, however, tries to draw a distinction between the right and the meeting of need of countries to produce energy from atomic power on the one hand, and the right of the country to evolve weapons-grade nuclear materials through either enrichment processes or through reprocessing.

We have no authority over either West Germany nor Brazil, nor do we want any. But as a friend of both countries, we reserve the right to express our opinion to them, that it would be very good to have, and possible to have, a complete nuclear fuel system throughout a country without having the ability to reprocess spent fuel from the power reactors. In the United States, for instance, in the last 25 years or so, on several occasions major investments, multibillion-dollar investments in all, have been made in reprocessing plants.

So far as I know, for the civilian nuclear technology, all those plants have now been abandoned as being noneconomical.

So, this is a difference that does exist between Brazil and the United States. The right of Brazil and West Germany to continue with their agreement is one that we don't challenge, but we have reserved the right and have used the right to express our concern, both to the Brazilian Government and to the West German Government.

I think it's accurate to say that the European nations have now announced that in the future, they will not make reprocessing plants part of their overseas sales inventory. And we are very deeply concerned about this. Of course, Brazil has announced that they have no intention of producing nuclear explosives. Brazil is a signatory to the Treaty of Tlatelolco. So far, however, Brazil has retained a caveat that it will not apply to them until all the other nations sign it. And Argentina, Cuba, France, Russia have not yet signed the Tlatelolco Treaty.

We would hope that every effort would be made by Brazil and other countries, as it is on the part of our own country, to prevent the spread of nuclear explosive capability to any nation which does not presently have it.

Q. Mr. President, what are the carrots?

THE PRESIDENT. Well, we have no specific carrots to offer, except that we are making available to countries—and now in a much more predictable way with the new congressional law—enriched uranium, which is suitable for production of power but not suitable for explosives, and technological advice and counsel, both in the use of uranium, with which Brazil is not blessed as a natural resource, and also thorium, which we have in our own country and which Brazil already has.

The new thorium technology is a much safer one to provide power without going

to plutonium. Recently Brazil—and I think very wisely—signed an additional agreement with West Germany which would open up advice and technological ability to use thorium. But the right of Brazil and the advisability of Brazil to have a very advanced nuclear power capability is one that we don't dispute, but on the other hand, approve.

I might add one other point, and that is that we see a clear need for all nations to sign the nonproliferation treaty. We're signatories of it; so are the Soviet Union, the Germans, most of the countries in the world. And this, combined with International Atomic [Energy] Agency safeguards, is a good guarantee within a country and throughout the developed and developing world that there will not be a trend in the future toward other nations developing nuclear explosive capability.

PRIME MINISTER MENAHEM BEGIN

Q. Mr. President, have you or any other top U.S. officials—Dr. Brzezinski, for instance—suggested that Prime Minister Begin may not be the right man to head that government in the present circumstances? And apart from what may or may not have been said, do you now think the Begin government can make the hard decisions necessary to move the peace process forward?

THE PRESIDENT. I can say unequivocally that no one in any position of responsibility in the United States administration has ever insinuated that Prime Minister Begin is not qualified to be Prime Minister or that he should be replaced. This report, the origin of which I do not know, is completely false.

I think that Prime Minister Begin and his government are able to negotiate in an adequately flexible way to reach an agreement with Egypt, later Jordan and other of the neighboring countries. This

is our hope and this is also our belief. We have not given up on the possibility of a negotiated peace settlement in the Middle East.

Under the Begin government, with him as Prime Minister, recently arrangements have been made between Israel and Egypt for Ezer Weizman to go to Egypt again, which will be a continuation of the probing for a compatibility. I think it is obvious now that with the issues so sharply drawn, that key differences remain that must be addressed on the side of Israel. The things that are of deepest concern is Israel's refusal to acknowledge that United Nations Resolution 242 applies clearly to the West Bank, their unwillingness to grant to the West Bank Palestinians, the Palestinian Arabs, a right to participate in the determination of their own future by voting at the end of a 5-year period, and so forth, for the kind of affiliation they would have with Israel or Jordan or under a joint administration. And this is a problem for which I have no clear solution yet. But I believe that the Begin government is completely capable of negotiating an agreement with Egypt.

FUTURE TRAVEL PLANS

Q. I am from Channel 13, Argentina. In connection with your visit now in Latin America, do you expect in the future—do you consider the possibility of another visit to the other countries of Latin America, as in my case, to Argentina, and do you have an eventual date for this visit?

THE PRESIDENT. We have not yet set any date nor made any plans for future visits. As you may know, I have visited Argentina in the past, and so has my wife. And this year, this past year, Secretary of State—our Secretary of State, Cyrus Vance, visited Argentina, too, and your own leader, Videla, came to visit us in

Washington. I have no plans now for any additional trips anywhere after I return to Washington.

#### PRESIDENT'S MEETINGS IN BRAZIL

Q. What's the purpose of this meeting that you are having in Rio with Cardinal Arns and five other people? I mean, what specifically are you intending to discuss with them and hear from them?

THE PRESIDENT. I don't have any agenda prepared for my visit with Cardinal Arns and the others. In a diverse society like you have here in Brazil, it's important for me to visit with different persons who represent different views. I will have thorough discussions, as you know, with President Geisel and his administration, and I want to meet with as many other people as I can. I have, by the way, met and talked to Cardinal Arns previously in the United States. I think this is typical of leaders who visit other countries. I noticed, for instance, with some interest, that when President Geisel visited the Federal Republic of Germany recently, he not only met with Chancellor Schmidt but he met with the leaders of the opposition parties.

And as a leader of a nation, I reserve the right to meet with whom I please. And I think this is a constructive thing, which will give me a much better overall understanding of what exists in Brazil. And I think the right of people to speak to me as a foreign visitor is one that's important to Brazil to preserve and to cherish. And I am thankful that I have that right when I visit your country.

#### INFLATION

Q. Mr. President, when you return from this Latin American and African trip, do you have any specific plans to combat the number one concern of the American people? I refer to inflation. Specifically, do you have any changes in

mind in your, up to now, voluntary program of price and wage restraints?

THE PRESIDENT. Yes. My administration, during the last couple of weeks, has been evolving a complete analysis of what we can do, both through administrative action, through public statements, through working with the business community and the labor community, and through congressional action to control inflation, which is becoming an increasingly important problem for us.

I think the Consumer Price Index figures that were released this week, the day we left Washington, were much better than we had anticipated, but still a cause for concern.

So, when I get home, one of the first acts that I shall take is to make public the decisions that we are now putting together.

Q. Will they change the voluntary nature of the program, Mr. President?

THE PRESIDENT. I'll address the details when I get back home.

#### GENERAL FIGUEIREDO

Q. [*in Portuguese*] I'd like to know whether in your meeting with General Figueiredo yesterday you discussed the program of the political opening up of the Brazilian Government and the implementation of that plan?

THE PRESIDENT. I did not have an opportunity to discuss any matters of importance with General Figueiredo. I only met him very briefly in a larger group of people, 30 or 40 people, and in the receiving line when I came into the airport. So, I've not had a chance to discuss this with him.

Ann [Ann Compton, ABC News].

#### STEEL PRICES

Q. Mr. President, despite some jawboning pressure from your administration, U.S. Steel has raised its prices again. How



does that fit in with your overall plans on inflation that is going to have some substantial impact nationwide?

THE PRESIDENT. It fits in very poorly. [Laughter] I think the prices that were announced by U.S. Steel, as their plans, are excessive. And although I've not been thoroughly briefed on what the Council on Wage and Price Stability has recommended—I will get that report today—but I think any such increase, as I've heard, approximately \$10 a ton, is excessive and does cause additional, very serious inflationary pressures in our country, and I think is much greater than would be warranted by the recent coal settlement.

#### BRAZILIAN POLITICAL PROCESS AND HUMAN RIGHTS

Q. [in Portuguese] I am from the State of São Paulo. My basic question was the same as he asked, but I'd like to know how you view the succession here in Brazil, and how do you view the problem of political and civil rights in Brazil?

THE PRESIDENT. Well, I think the type of succession and the process through which you choose your leaders, or your leaders are chosen, is one to be decided in Brazil. I'm not here to tell you how to form your government. I have no inclination to do that. The Brazilian people are completely aware of the process, and that's a judgment for you to make.

Brazil, like the United States, is struggling with the very difficult question of identifying human rights and civil rights violations, enhancing the democratic processes, and also encouraging confidence among the people in my government, in the United States, and in the government here in Brazil and other countries.

The differences that have arisen on the human rights issue is not based upon the

lack of commitment to enhance human rights. I think great progress has been made in your country and also in ours. We do have a sharp difference of opinion, however, on how the human rights issue should be addressed, how specific allegations should be investigated, and what action can be taken to correct any defects that exist in your country or mine or others.

We believe that this is an international problem, that the focusing of world attention and world pressure on us and other countries is a very beneficial factor, that high publicity should be given to any proven violation of human rights. It's a commitment that our Nation has that I want not to abandon but to enhance and strengthen.

Brazil, on the other hand, also struggling with the same problem, trying to give greater human rights, does not believe that the international organizations and multinational opinions should be marshaled. However, I do note that recently Brazil did vote for an increase in the financing of the Inter-American Human Rights Commission.

We think that when an allegation is made in our own country, in Brazil, in the European countries, or wherever, that some responsible delegation from the Inter-American Human Rights Commission or the United Nations should go in, get the facts, make the facts public. If there is an actual violation, this would be a great incentive to the government involved, ours or yours or others, to correct the defect. If the allegation is false, then the exposition of the error or the false allegation would be good for the world to know.

So, I think this is a very deep and important consideration. One of the best things about the development on human rights in the last year or so has been the worldwide attention to it. It was kind of

a dormant issue for too long, and now I doubt that there's a world leader who exists that doesn't constantly feel the pressure of considering the human rights questions—to analyze one's own administration, one's own country, what the rest of the world thinks about us, and how we could correct any defects and prevent allegations in the future, either true or false.

#### POSSIBILITY OF MIDDLE EAST VISIT

**Q.** Mr. President, with the new movement which is now apparent in the Middle East question, is there any possibility of a Middle East stop on your way back home?

**THE PRESIDENT.** No. No, I have no intention to stop in the Middle East. I'll go from here to Nigeria, from there to Liberia, and then back home.

Maybe one more question.

#### U.S.-BRAZILIAN RELATIONS

**Q.** [*in Portuguese*] The restraint of your public words until now, your specific desire to meet with the new President, all these facts amount to a virtual blessing of the Brazilian regime. Is your interest in civil rights and political dissidents fading away, or are American economic interests in this country so strong that Brazil is already a special case?

**THE PRESIDENT.** Well, I might say that the history, the culture, common defense requirements, trade, common purpose binds the people of Brazil—all bind the people of Brazil and the people of the United States together in an unbreakable commitment, regardless of the identity of the leaders in our own country or yours. The people of Brazil and the United States are bound together. There is no lessening of our commitment to the principles that you described. The basic freedoms to democratic government, to the protection of human rights, to the prevention of nuclear proliferation—these commitments are also very deep for us.

Obviously, the overwhelming responsibility when I come to a foreign country, no matter where it is, is to meet with the leaders who are in office. But I also will be visiting the Congress this morning. I'm sure that I will be meeting the chairman of a Senate foreign relations committee who's also a candidate for President.

We've already pointed out I will be meeting with religious leaders, and I hope that in this process that I'll have a chance to get views from all elements, at least some of the major elements of the Brazilian society. But I'm not endorsing any candidates, and I think that the overwhelming sense of my visit already has been that the strength of our friendship and the mutuality of our purposes, now and in the future, far override any sharply expressed differences of opinion on even the major and very important issues of human rights, nonproliferation, trade, and so forth.

**FRANK CORMIER** [Associated Press]. Thank you, Mr. President.

**THE PRESIDENT.** Thank you very much.

**NOTE:** President Carter's twenty-eighth news conference began at 9 a.m. in the Ballroom of the Hotel Nacional in Brasilia, Brazil. It was broadcast live via satellite on radio and television in the United States.

Several of the reporters spoke in Portuguese, and their questions were translated by an interpreter.

## Brasília, Brazil

*Remarks Before the Brazilian Congress.  
March 30, 1978*

*Distinguished leaders of the great Government of Brazil, the Senate, the House of Deputies:*

One of the greatest honors of my life is to meet with others who share with us in the United States a common back-

ground, a common commitment to the common future.

I particularly want to thank Senator Enrico Rezende and my good and old friend, Deputado Erasmo Martins Pedro, for those inspirational words. There is no way that I can match your eloquence. There's no way that I can improve upon what you have said. And your complimentary words to me, undeserved, will be an inspiration in the years ahead.

I've been here before in this chamber, in your country. I've been impressed with the greatness of Brazil. I've seen the compatibility between your own people and ours—the origins of your country; the struggle for freedom against colonial rule; the courage, the tenacity, the dedication that was required in our country and yours to explore new frontiers, to carve out for ourselves a better life, a greater life, and a position of leadership throughout the whole world.

I recognize that in your country and in mine there is a great diversity of interest, differences among people, and a constant, unceasing, most often successful struggle to bring harmony among differences and to carve out common commitments that will add the strength of all those different people together to reach a destiny even more inspirational than the past history has already given to us.

We share a common religion among many of our people, a common hope for peace. We share a feeling that our nations are bound together with unbreakable chains. We share a realization that while friendship is strong enough to sustain transient differences of opinion, that we can exchange ideas freely and without constraint and, in the process, learn about one another and perhaps improve the attitudes of people in the United States and also in Brazil.

We are learning together in the Western Hemisphere, which still has the vigor of

newness, how we can exert our leadership throughout the rest of the world in dealing with hunger and despair, in dealing with the struggle for basic human rights.

We understand the broad definition of these two important words—the right to freedom, the right to criticize a government, the right of people to contain within themselves, collectively, the ultimate authority, the right to an education, the right to good health, a place to live, food, the right to share more equitably the riches with which God has blessed us, the right to express opinions, the right to enhance our own individuality, the right to seek collective solutions to private and public problems, the right to expose the greatness of our own nations which we love.

I'm grateful for the invitation to appear before this great Congress as one whose own political career began in a legislature. I've seen the importance of a good relationship between a Governor and a State legislature, between a President and a national Congress. And I join you in honoring the ultimate purpose of any legislative body, that of ensuring that individual people who have small voices may participate through you in the decisions that affect their lives.

Thirty-one years ago, another American President stood before the Brazilian Congress, another Congress in a different city, since your vision of Brasília had not yet been fulfilled. I'd like to quote from the words of Harry Truman: "It is not too much to describe our relations as those of life-long friends," he said. And then he asked, "Why are the ties between Brazil and the United States so close? The distance between our countries is great. And until recent years communications were slow and difficult. It is not physical proximity that alone makes friends and neighbors; it is rather the fact

that we have common interests, common principles, and common ideals.”

Those words still apply today, and they are the overriding concepts which bind our nations together permanently and on which we base our realization and our hope and our expectation for future friendship, stability, and mutual strengthening in the years to come.

In the intervening years, Brazil has come into an even fuller realization of your rightful place in the world, though it has not yet reached the limits of your enormous potential. And after all those years, we can still call on one another as friends, for that bond recalls the sacrifices that we have made together in a common struggle, with the loss of Brazilian and American lives, and it implies the right to disagree on occasion, even vigorously, without bitterness or mistrust.

As I said when I met your President yesterday, the world needs, the world expects, and the world will benefit from your creativity, your energy, and your success. Many of the problems that we share as members of a human family will never be solved unless the ablest among us devote their best to efforts to that cause. Economic development with a fairer distribution of the world's riches, a trading system that is open and equitable, cooperative solutions to our common energy problems, peaceful use of atomic power without the risk of proliferation, reducing the excessive trade in weapons, and encouraging consultations and negotiations about even the most troubling issues, advancing the cause of human liberty, democratic government, and the rule of law—these are efforts in which the United States needs your friendship, your partnership, and the world needs your help and your leadership. And I'm sure we will not be disappointed.

Since my friend has quoted the Bible, I would like to do the same. In Portuguese,

as well as English, the Bible tells us that to whom much is given, much will be required. Our two nations have been greatly blessed by God, and we have much to give in return.

Thank you very much.

NOTE: The President spoke at 11 a.m. in the Chamber of Deputies of the Congress. In his remarks, he referred to Enrico Rezende, majority leader of the Senate, and Federal Deputy Erasmo Martins Pedro.

Prior to his remarks, the President met at the Supremo Federal Tribunal with Minister Carlos Thompson Flores, president of the Supremo Federal Tribunal, and upon his arrival at the Congress, the President met in the Salon Nobre with senior members of the Senate and Chamber of Deputies.

Following his remarks to the Congress, the President proceeded to the Palácio do Planalto for meetings with President Geisel.

## Brasília, Brazil

***Joint Communique Issued Following Meetings Between President Carter and President Geisel. March 30, 1978***

The President of the United States and Mrs. Jimmy Carter visited Brazil March 29–31, 1978, as part of a series of visits to major nations. Accompanying President Carter were Secretary of State Cyrus Vance, Assistant to the President for National Security Affairs Dr. Zbigniew Brzezinski, Assistant Secretary of State for Inter-American Affairs Terence A. Todman, Director of Policy Planning for the Department of State W. Anthony Lake and Robert Pastor of the NSC Staff.

The President of the Federative Republic of Brazil and Mrs. Ernesto Geisel received the President of the United States and Mrs. Carter as official guests of the Brazilian Government. President Geisel welcomed the visit as a clear expression of the importance of the relation-

ship and the historic ties that link the two countries.

During the course of their stay in Brasília, President and Mrs. Carter visited His Excellency, the President of the Supreme Federal Tribunal, and other members of the Tribunal. President Carter also called on the National Congress meeting in solemn joint session. President and Mrs. Carter expressed their deep appreciation for these opportunities to meet with the Tribunal and the National Congress.

The visit testifies to the desire of both Presidents to increase their mutual understanding and build on the broad areas of agreement that exist between the two Governments. The visit also recognizes the growing importance and complexity of relations between the two countries and the need to minimize the inevitable differences in perspective that flow from that complexity.

The conversations between the two Presidents took place in an atmosphere of frankness, cordiality and mutual respect. They reviewed recent international developments on the global and regional plane and exchanged views on the policies and perceptions of their Governments. Recognizing the respective responsibilities of their two countries in the resolution of important global issues, the two Presidents stressed the common interests and goals both countries share for the construction of a just and peaceful international order. They reaffirmed their strong support for the principles of the Charter of the United Nations and of the Organization of American States, and for the principles of sovereignty, equality, and non-intervention in the domestic affairs of states, non-use of force in international relations and for other principles of international law governing relations among states. They agreed on the need to persevere in efforts to maintain international

peace, strengthen world security, intensify cooperation among states, and settle outstanding international issues in accordance with the peaceful means envisaged by the Charter of the United Nations.

In the context of this global review, the two Presidents noted the importance of the United Nations and other international and regional institutions in the resolution of international issues and disputes, and agreed that their two Governments should maintain and expand their cooperation in support of these mechanisms and their increased effectiveness. They also agreed to expand the annual consultations between their two Governments preceding the UN General Assembly sessions, and to bring within the purview of these consultations negotiations and meetings under UN auspices such as the Law of the Sea Conference and the United Nations Conferences on Technology and Development and Technical Cooperation among Developing Countries.

The Presidents exchanged views concerning the situation in the Middle East and deplored the recent violence which occurred in that area. They agreed that it is necessary and urgent to intensify efforts to achieve a just, comprehensive and durable peace based on UNSC Resolution 242 and 338. They stressed the importance of withdrawal on all fronts pursuant to Resolution 242 and the resolution of all aspects of the Palestinian question.

The two Presidents emphasized their concern with the arms race and reaffirmed that they strongly favor the adoption of disarmament measures under strict and effective international control. Additionally, the Presidents expressed their mutual dedication to the positive participation of their respective countries in the UN Special Session on

Disarmament and affirmed their mutual desire that the Special Session lead to positive steps towards a reduction and eventual elimination of armaments and the alleviation of international tensions.

Drawing on their deep common heritage of respect for the Rule of Law and their determination to improve the conditions of life of their peoples, both Presidents reaffirmed and agreed that the progress of mankind will be measured in large part by advances made in guaranteeing and assuring the political, economic and social rights of all peoples.

President Carter emphasized the fundamental commitment of his country to the promotion of human rights and democratic freedoms as basic to the process of building a more just world, and stated that the Universal Declaration of Human Rights and the OAS Charter provide a framework for international concern in this area. In this regard President Geisel recalled that international cooperation for the affirmation of human rights, in all their aspects, is one of the noblest tasks of the United Nations. He stressed the preoccupation of the Brazilian Government with the observance of human rights and noted the essential role of economic, social and political development in attaining progress in this area.

President Carter reviewed the global scope of the non-proliferation policy of the United States, illustrated the practical implementation of this policy within the United States itself, and described the ongoing efforts of his Administration to prevent both vertical and horizontal proliferation on a worldwide basis. He emphasized that U.S. policy is designed to curb the spread of nuclear weapons, while encouraging international cooperation in the development of the peaceful uses of atomic energy. President Geisel noted Brazil's equal concern for non-proliferation of nuclear weapons, both vertical and

horizontal. In this connection, he stressed that Brazil strongly supports international efforts towards disarmament; that Brazil's nuclear program has strictly peaceful objectives and is designed to meet her energy needs; and that Brazil favors the adoption of the IAEA's international non-discriminatory safeguards.

The two Presidents reviewed the conditions and prospects of the world economy. They discussed the critical relationship of developments in the U.S. economy to global stability and growth, and examined Brazil's rapidly expanding role within the global economic system. Both Presidents stressed that it is important that the industrialized countries as a group pursue appropriate policies to ensure the resumption of more rapid worldwide economic growth, which also requires appropriate policies in the developing countries to maintain healthy economies. They welcomed the decision of OPEC taken in Caracas in December to maintain the prevailing level of petroleum prices.

President Carter emphasized his Administration's commitment to freer trade. President Geisel stressed the importance of export growth to Brazilian development. In this connection, both Presidents emphasized their resolve to work toward a more open and fair global trading system, to fight protectionism and to cooperate in bringing the Multilateral Trade Negotiations to a successful conclusion. The two Presidents agreed that the major contributions in this field should be made by the developed countries. President Carter emphasized the determination of the United States to negotiate special and differential treatment for developing countries, where feasible and appropriate. He also noted the desirability of contributions by the developing countries toward trade liberalization. President Geisel expressed Brazil's readiness to contribute, together with other countries, to the lib-

eralization of world trade. The two Presidents agreed on the importance of reaching an understanding on codes on export subsidies, countervailing duties, safeguards and other trade policy mechanisms. They also agreed on the need for close consultations as the Geneva negotiations approach the final stage.

The two Presidents agreed that the Fifth Session of the Brazil-US Sub-Group on Trade would take place in Brasília in May. The principal purpose of the session will be a bilateral examination of the substantive issues existing in the current phase of the Multilateral Trade Negotiations.

The two Presidents strongly endorsed the key role of international financial institutions such as the World Bank and the Inter-American Development Bank. In this connection, they reviewed the various measures taken in the past year and agreed on the importance of an increased level of funding of these institutions. The two Presidents emphasized the importance of the contributions of the developed as well as of the developing countries to these institutions, and also noted and welcomed the expanding efforts among the developing countries themselves to strengthen mutual cooperation in support of their development. They noted with satisfaction the efforts made to create a group for economic cooperation in the Caribbean.

The two Presidents agreed on the importance of stabilizing commodity prices at levels fair to producers and consumers and of the role which well-designed funding arrangements can play in relation to commodity price stabilization agreements.

Both Presidents stated that they would continue their support for the close working relationships that have been established between the economic and financial authorities of the two countries.

The two Presidents discussed their common interest in reducing dependence on imported oil and reviewed their countries' programs in energy research and development. They agreed to establish a program of cooperation that would emphasize both nations' areas of advanced expertise and ensure a two-way flow of benefits: in coal mining, processing and conversion, the production of alcohol from sugar and other agricultural products, and industrial and transportation energy conservation. This agreement will be followed by meetings of experts to design specific cooperative programs including the possibility of joint funding of such programs.

The two Presidents also noted the world agricultural situation and agreed that the United States and Brazil, as the world's leading exporters of agricultural products, can make an important contribution to easing world problems in this field. They decided to establish, under the Memorandum of Understanding of February 21, 1976, a Sub-Group on Agriculture. The Sub-Group will address problems of mutual interest and will hold its initial meeting in the near future.

The two Presidents also noted that the shared experiences which derive from private sector, professional, cultural and educational exchanges constitute a valuable base of lasting friendship and mutual understanding between the two countries. The two Presidents specifically noted the celebration last year of the Twentieth Anniversary of the Bilateral Fulbright Exchange Program which has involved university scholars of a wide variety of disciplines.

The two Presidents emphasized the shared goals of their peoples in a new era of peace and progress which will contribute to a more just economic relationship between North and South, promote increased economic security for all coun-

tries, assure a better quality of life for all peoples, provide a more equitable sharing of the benefits of growth, and encourage more rapid national development.

The two Presidents agreed on the importance of frequent consultations and close cooperation between the two Governments. They agreed that the mechanisms and procedures of consultation established under the Memorandum of Understanding of February 21, 1976, should continue to be used and instructed their Foreign Ministers accordingly. The two Presidents expressed their intention to continue in close personal communication so as to permit their direct and prompt address to matters of special interest to their two countries.

The two Presidents expressed their great personal satisfaction that their conversations, conducted in an atmosphere of friendship and mutual respect, had resulted in a very useful, comprehensive and mutually beneficial exchange of views on a wide range of multilateral and bilateral issues, and a full appreciation of each other's views.

Upon ending their visit, President and Mrs. Carter thanked President and Mrs. Geisel for the cordial hospitality offered to them by the Brazilian people and government.

NOTE: The text of the joint communique was released at Rio de Janeiro, Brazil.

## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and

announcements printed elsewhere in the issue are not included.

### *March 26*

The President returned to the White House after a weekend stay at Camp David, Md.

### *March 27*

The President transmitted to the Congress the District of Columbia budget for fiscal year 1979.

### *March 28*

While in Caracas, the President met at La Casona with Rómulo Betancourt, former President of Venezuela.

### *March 29*

The President declared a major disaster for the State of Indiana as a result of severe storms and flooding, beginning about March 15, which caused extensive public and private property damage.

### *March 30*

Following his arrival in Rio de Janeiro, the President went to the National Memorial Monument, where he placed a wreath at the Tomb of the Unknown Soldier.

### *March 31*

While in Rio de Janeiro, the President met at the summer residence of Mayor Marcos Tamoyo with Cardinal Paulo Evaristo Arns, O.F.M., archbishop of São Paulo; Cardinal Eugenio de Araújo Sales, archbishop of Rio de Janeiro; Raymundo Faoro, president of the Brazilian Bar Association; José Mindlin, a Brazilian businessman; Julio Mesquita, publisher of the *O Estado de São Paulo*; and Marcos Vianna, president of the National Bank for Economic Development.

The President left Brazil for visits to Nigeria and Liberia.



## **NOMINATIONS SUBMITTED TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

### **Submitted March 27, 1978**

**ROBERT L. YOST**, of California, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

**DONALD CYRIL LUBICK**, of Maryland, to be an Assistant Secretary of the Treasury, vice Laurence N. Woodworth, deceased.

**SAUL SILVERMAN**, of Pennsylvania, to be Assayer of the United States Assay Office at New York, New York, vice Allan Stephen Ryan, deceased.

**GEORGE S. BENTON**, of Maryland, to be Associate Administrator of the National Oceanic and Atmospheric Administration, vice John W. Townsend, Jr., resigned.

### **Submitted March 28, 1978**

**ANITA M. MILLER**, of California, to be a member of the Board of Trustees of the Harry S Truman Scholarship Foundation for a term expiring December 10, 1983, vice Jonathan Moore, term expired.

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## **CHECKLIST OF WHITE HOUSE PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

### **Released March 25, 1978**

News conference: on the settlement of the United Mine Workers strike—by Secretary of Labor F. Ray Marshall and Secretary of Energy James R. Schlesinger

### **Released March 27, 1978**

Announcement: signing of H.R. 3813, the Redwood National Park expansion bill

Advance text: remarks announcing the national urban policy

Fact sheet: national urban policy

## **CHECKLIST—Continued**

### **Released March 27—Continued**

News conference: on the national urban policy—by Secretary of Housing and Urban Development Patricia Roberts Harris and Stuart E. Eizenstat, Assistant to the President for Domestic Affairs and Policy

News conference: on the national urban policy—by Mayors Richard D. Hatcher of Gary, Ind., Lee A. Alexander of Syracuse, N.Y., Henry W. Maier of Milwaukee, Wis., Coleman A. Young of Detroit, Mich., Michael A. Bilandic of Chicago, David Vann of Birmingham, Ala., Albert Wheller of Ann Arbor, Mich., and Moon Landrieu of New Orleans, La.

### **Released March 28, 1978**

News conference: on the President's meetings with President Carlos Andrés Pérez of Venezuela in Caracas—by Zbigniew Brzezinski, Assistant to the President for National Security Affairs

### **Released March 29, 1978**

Advance text: remarks before the Venezuelan Congress in Caracas

Advance text: toast at a working dinner with President Ernesto Geisel in Brasília

### **Released March 30, 1978**

Advance text: remarks before the Brazilian Congress in Brasília

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## **ACTS APPROVED BY THE PRESIDENT**

### **Approved March 27, 1978**

H.J. Res. 715----- Public Law 95-253  
A joint resolution proclaiming May 3, 1978, "Sun Day".

H.R. 1432----- Private Law 95-31  
An act for the relief of Mrs. Desolina Sciulli.

H.R. 1939----- Private Law 95-32  
An act for the relief of Meda Abilay Florin.

H.R. 2761----- Private Law 95-33  
An act for the relief of Su-Hwan Choe.

### **Approved March 27, 1978**

H.R. 3081----- Private Law 95-34  
An act for the relief of Mrs. Chong Sun Yi Rauch.

*Administration of Jimmy Carter, 1978*

**ACTS APPROVED—Continued**

**Approved March 27—Continued**

- H.R. 3813----- Public Law 95-250  
An act to amend the Act of October 2, 1968,  
an Act to establish a Redwood National Park  
in the State of California, and for other  
purposes.
- H.R. 4401----- Private Law 95-35  
An act for the relief of Kwi Sok Buckingham  
(nee Kim).
- H.R. 6975----- Public Law 95-251  
An act to amend title 5, United States Code,  
to provide that hearing examiners shall be  
known as administrative law judges, and to

**ACTS APPROVED—Continued**

- increase the number of such positions which  
the Civil Service Commission may establish  
and place at GS-16 of the General Schedule.
- H.R. 11518----- Public Law 95-252  
An act to extend the existing temporary debt  
limit.
- S. 833----- Private Law 95-29  
An act for the relief of Ah Young Cho Kwak.
- S. 1135----- Private Law 95-30  
An act for the relief of Young-soon Choi.
- S. 1671----- Public Law 95-249  
An act to designate the Absaroka-Beartooth  
Wilderness, Custer and Gallatin National  
Forests, in the State of Montana.

# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, April 7, 1978

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## Lagos, Nigeria

*Remarks of the President and Lt. Gen. Olusegun Obasanjo at the Welcoming Ceremony. April 1, 1978*

GENERAL OBASANJO. President and Mrs. Carter, on behalf of the people and Government of Nigeria, I would like to take this opportunity to welcome you to Nigeria and, indeed, to Africa on this historic visit.

In the interest of peace and stability in Africa, in particular, and in the world in general, and for the mutual benefit of our two countries, contact and consultation between our countries, especially since your arrival in the White House, has been on the increase. We welcome this development.

I fondly remember my visit to your great country only last October and the warm and generous reception accorded me. That visit afforded us an opportunity for frank and cordial exchange of views and ideas on contemporary issues of interest to our two countries. I hope this visit, the first of its kind and so timely, will be as rewarding and as fruitful as my memorable visit last October.

The whole of Africa, and indeed the whole world, will be interested in your visit to our country as marking a signifi-

cant redirection in American policy towards black Africa.

This visit will afford you, Mr. President, and Mrs. Carter and, through you, the majority of American people a closer understanding of Africa today and African aspirations.

We as leaders cannot afford to disappoint our two peoples, in particular, who have great expectations from this exchange of visits. There are present issues which must engage our attention during this visit. Your personal commitment to human values, rights, and dignity, based on the principles and ideals of the Founding Fathers of your great country, have given us some hope in our joint endeavor to eradicate racialism on this continent and to ensure improvement of peace, justice, and fairness on our continent and in the world.

We believe that world economies are complementary and interdependent, and we hope this visit will afford us the opportunity of exploring the areas of cooperation and collaboration between our two countries for our mutual benefits, and finding ways and means of bringing about a more equitable world economic order.

May I especially once again welcome Mrs. Carter to Nigeria and wish you, President and Mrs. Carter, and all the

members of your entourage, a pleasant stay in Nigeria and a safe journey back home at the end of what we expect to be a rewarding visit and experience. You are welcome.

THE PRESIDENT. *Your Excellency, General Obasanjo, distinguished officials of the Military Government of Nigeria, and the people who are friends of the people of my country, the United States:*

It is a personal privilege for me to begin this first state visit of a President of the United States to the sub-Saharan region of Africa. It also reflects the increasing role which so many nations of this diverse continent are now playing in international affairs.

I am pleased to come to Nigeria, where the vision of your own government in meeting African challenges has been an inspiration far beyond the borders of your own great country.

Quite apart from the great political events which are shaping our times, the American people have a longstanding but growing interest in the continent of Africa—its history, its cultural richness, its increasingly developed economic potential.

During the past years, we in the United States have been enriched—and particularly the last few months—by significant visits of Nigerian painters, sculptors, musicians, and other artists. Our awareness of your 2,000-year-old artistic tradition is being enhanced even now, by such events as the exhibit this month, in Washington, of regional arts of the Nigerian people.

As I told General Obasanjo earlier on his visit to Washington, I, myself, and my family are avid readers of the fine literary works of Chinua Achebe and others who write of the past and present life in your great country.

It is in this context of growing awareness about African culture that so many people in the United States are looking

back with increased interest to their family origins here. But the relationship between the United States and Nigeria is based on current realities and common hopes, as well as ancestral ties. We share with you a desire to see all the people of Africa at peace with each other, preserving their diversity and their national character, living in mutual respect, and enjoying the fruits of development and of democracy.

The presence of more than 15,000 Nigerian students in the United States and many Americans here underlines the depth of our cooperation in the field of education. We are also bound by economic interests, and we are learning from each other about trade and about industrial and agricultural development.

Our relationship with you is one of mutual dependence, and our goals should always be to find ways of making this relationship even more beneficial to both our peoples. And we share the hope of achieving peace with justice in southern Africa.

I am particularly happy to renew my close acquaintance with General Obasanjo. We first met last October, when he paid an official visit to the United States. Since then, I have benefited from his counsel in many ways.

I am especially pleased that the Nigerian people and Government, your leaders, are so deeply committed to democratic principles. A freely elected assembly is even now debating the draft of your nation's new constitution. This demonstration of faith in the judgment of Nigerian citizens is heartening to all of us in America who care so deeply about self-determination, majority rule, and human rights.

I'm looking forward to even closer cooperation with Nigeria and with other nations in Africa. And during this visit,

I expect to learn firsthand about some of Africa's problems and opportunities from your distinguished leaders.

General Obasanjo, thank you for your welcome. It is a great pleasure for me, for my wife, for my daughter, and other American officials, to be with you in your great and growing country.

Thank you very much.

NOTE: The exchange began at 10:12 a.m. at Dodan Barracks.

The President had arrived in Lagos on the evening of March 31. He was met at Murtala Muhammed Airport by General Obasanjo, Head of State of Nigeria, and then went to the State House Marina where he stayed during his visit to Lagos.

Following the welcoming ceremony, the President and General Obasanjo went to the VIP Room at Dodan Barracks for meetings. The President then proceeded to Tafawa Balewa Square, where he placed a wreath at the memorial cenotaph, dedicated to the memory of Nigerian soldiers who died in the two World Wars and the Nigerian civil war.

## Lagos, Nigeria

*Remarks at the National Arts Theatre.  
April 1, 1978*

DR. AKINYEMI. *Your Excellency, President Jimmy Carter, Mrs. Carter, Your Excellencies, ladies and gentlemen:*

It is a great honor for me to welcome you and Mrs. Carter this afternoon on behalf of the Nigerian Institute of International Affairs.

All of us here this afternoon are privileged to be present at this significant occasion, when the President of the United States speaks to the Nigerian people. This occasion is an indication of the President's recognition of the need to talk not only to governments but also to peoples; to share his views not only with government officials but also with the general public. This occasion is also a recognition of the

formidable role which informed and articulate public opinion plays in the formulation and development of a nation's foreign policy.

Commentators on the present foreign policy of the United States are quick to point out the constraints which are placed on the President in the development of policies towards other nations. This plurality of society is one of the things which Nigeria has in common with the United States.

In the case of Nigeria, this pluralism manifests itself in enormous pressures on our Government to pursue our foreign policy objectives as rapidly and vigorously as possible. This occasion is a recognition of the pluralism of Nigerian society.

Mr. President, the Nigerian public has noticed the new direction which you have given to the foreign policy of the United States, the sincerity of your crusade against violations of human rights throughout the world, and your commitment to the right of individual nations to self-determination. But at the same time, the Nigerian public has learned to measure policy pronouncements by results and not by expectations.

The Nigerian public believes that the United States has a duty to mankind to take positive policy initiatives in southern Africa. The Nigerian public hopes that your deep concern for human rights, Mr. President, will be translated into action aimed at destroying institutionalized violation of human rights in southern Africa.

As representatives of the Nigerian public privileged to be here this afternoon, we await your voice, Mr. President.

THE PRESIDENT. *Director Akinyemi, Commissioner Garba, distinguished officials of the Government of Nigeria and of the United States, distinguished guests from other countries, and my friends, the Nigerian people:*

I come from a great nation to visit a great nation. When my voice speaks words, they are not the words of a personal person but the words of a country.

It's no coincidence that I come here to this institute, where free and open discussions and debate contribute to the comprehension and understanding and the reaching of agreements that solve problems that have separated people one from another.

It is no coincidence that I come to Nigeria to talk about our bilateral relationships and the problems of Africa. And it is no coincidence that our Nation has now turned in an unprecedented way toward Africa—not to give you our services but to share with you a common future, combining our strengths and yours, correcting our weaknesses and correcting yours. And this departure from past aloofness by the United States is not just a personal commitment of my own, but I represent the deep feelings and the deep interest of all the people of my country.

I'm proud and deeply moved to be the first American President to make an official visit to your country. And I'm especially grateful for the warmth and the generosity of my reception by the Government and by the people of Nigeria.

I don't know who's doing the work, but many Nigerians are standing beside the roadway to make me and my family feel welcome, and I thank you for it.

During my first year as President of the United States, I've been pleased to work closely with General Obasanjo, learning from him and from other African leaders. Our cooperation has had a special meaning for me, since Africa has been so much in my thoughts during the past 15 months.

Our countries have much in common. Nigeria and the United States are vast and diverse nations seeking to use our great resources for the benefit of all our

people. That's the way it is now; that's the way it will continue to be in the future.

Americans admire the energy, the wisdom, the hard work, the sense of optimism of the Nigerian people, for these are exactly the same qualities which we admire in my country.

The Nigerian Government has shown these qualities in your own national accomplishments and in your efforts for worldwide peace and economic progress—in the Organization for African Unity, in the United Nations, and in other councils where nations seek common ground so as to resolve differences and to work together.

We admire also the humane and the creative way which Nigeria has come through a divisive time in your own history. Through public debate and far-reaching planning, you are designing a democratic future for a new "One Nigeria," and we're grateful and excited about this prospect.

Our bonds of friendship go back many years. Nigerian students first came to the United States in the 19th century. Your first President, Nnamdi Azikiwe, studied in our country. In applying to Lincoln University, he wrote that he believed in education for service and service for humanity.

Tens of thousands of young Nigerians have followed him to America to prepare themselves for service here in their homeland. Many are present or future teachers, who will help you achieve your goal of universal primary education.

We in the United States are learning from you as well, for we are enriched by our ties and heritage in Africa, just as we hope to contribute to the realization of African hopes and African expectations.

Our nations and our continents are bound together by strong ties that we inherit from our histories. We also share three basic commitments to the future of Africa.

We share with you a commitment to majority rule and individual human rights. In order to meet the basic needs of the people, we share with you a commitment to economic growth and to human development. We share with you a commitment to an Africa that is at peace, free from colonialism, free from racism, free from military interference by outside nations, and free from the inevitable conflicts that can come when the integrity of national boundaries are not respected. We share these things with you as well.

These three common commitments shape our attitude toward your continent. You have been among the leaders of international efforts to bring the principles of majority rule and individual rights into reality in southern Africa.

During the past year, we've worked closely with your Government and the other frontline states in the quest to achieve these goals in Namibia and in Zimbabwe.

Our efforts have now reached a critical stage. On Namibia, there has been some progress, with the parties showing some degree of flexibility. It is important that accommodation be now reached. This past week, we and the other Western members of the United Nations Security Council have presented to the disputing parties our proposals for an internationally acceptable agreement based on free elections.

These proposals provide the best hope for a fair and peaceful solution that will bring independence to Namibia in a manner consistent with Security Council Resolution 385. No group is favored at

the expense of another. They protect the rights of all. They should be accepted without further delay.

The tragic assassination of Chief Kapuuo should not lead to an era of violence and recrimination, but to an internationally supervised choice by the people of Namibia to elect leadership that will unite their country in peace and not divide it in war.

On Rhodesia, or Zimbabwe, Great Britain and the United States have put forward a plan for the solution, based on three fundamental principles: first, fair and free elections; secondly, an irreversible transition to genuine majority rule and independence; and third, respect for the individual rights of all the citizens of an independent Zimbabwe.

This plan provides the best basis for agreement. It is widely supported within the international community and by the Presidents of the frontline nations who surround Zimbabwe itself. Its principles must be honored. Let there be no question of the commitment of the United States to these principles or our determination to pursue a just settlement which brings a cease-fire and an internationally recognized legal government.

The present challenge to our diplomacy and to yours is to help all the parties get together, based on the Anglo-American plan, and build on areas of agreement. Only a fair arrangement with broad support among the parties can endure.

The transition to independence of a new Zimbabwe must ensure an opportunity for all parties to compete in the democratic process on an equal footing. The past must lead irrevocably to majority rule and a future in which the rights of each citizen of Zimbabwe are protected, regardless of tribal or ethnic origin or race. That is our Nation's position. We will not depart from it.

The hour is late with regard both to Zimbabwe and to Namibia. The parties must choose. They can choose a path of agreement and be remembered as men of vision and courage who created new nations, born in peace, or they can insist on rigid postures that will produce new political complications, generating new conflicts, growing additional bloodshed, and delay the fulfillment of their hopes.

We in the United States remain committed, as do the people of Nigeria, to the path of genuine progress and fairness, for the sake of all the nations of the region and for the sake of international peace.

In the name of justice, we also believe that South African society should and can be transformed progressively and peacefully, with assured respect for the rights of all. We've made it clear to South Africa that the nature of our relations will depend on whether there is progress towards full participation for all her people, in every respect of the social and economic life of the nation, and an end to discrimination, an end to apartheid, based on race or ethnic origin. We stand firm in that message as well.

I grew up in a society struggling to find racial harmony through racial justice. Though our problems were different, I know that progress can best be found if the determination to see wrongs righted is matched by an understanding that the prisoners of injustice include the privileged as well as the powerless.

I believe we should therefore combine our determination to support the rights of the oppressed people in South Africa with a willingness to hold out our hands to the white minority if they decide to transform their society and to do away with apartheid and the crippling burdens of past injustices.

I also believe that progress can be made. As Andrew Young said here in Lagos last August, a belief in dreams for the

future is not naive if we are ready to work to realize those dreams.

Our concern for human rights extends throughout this continent and throughout the world. Whatever the ideology or the power or the race of a government that abuses the rights of its people, we oppose those abuses.

We in America welcome the real progress in human rights that is being made in many countries, in Africa as well as in other regions.

Americans were particularly encouraged that the African group at the United Nations Human Rights Commission moved this year to consider the oppressive policies of two of its own member nations.

We are encouraged, too, by the movement towards democracy being made by many nations. Nigeria is an outstanding example. The free and fair elections that you held in the past year leave no doubt that your Government is determined to pursue its decision to establish civilian rule in 1979. This action will be an inspiration to all those in the world who love democracy and who love freedom. And we congratulate you on this.

Each country must, of course, adapt the instruments of democracy to fit its own particular needs, a process now being completed by your constituent assembly. The basic elements are participation by individuals in the decisions that affect their lives, respect for civil liberties through the rule of law, and thus, protection of the dignity of all men and women.

Wherever these fundamental principles exist, a government can accommodate to necessary change without breaking, and its people can demand such change without being broken.

These principles are necessary for democracy, and they sustain development as well. For in a democracy, the people themselves can best ensure that their government will promote their economic



rights, as well as their political and civil liberties.

I believe, as I know you do as well, that every person also has a right to education, to health care, to nutrition, to shelter, to food, and to employment. These are the foundations on which men and women can build better lives.

This is our second great, common goal between the United States and Nigeria—human development made possible by fair and equitable economic progress.

My country is ready to do its fair share in support of African development, both because it's in our own interest and also because it's right. More and more, the economic well-being of Americans depends on the growth of the developing nations here in Africa and in other parts of the world. A good example is our relationship with Nigeria, which is marked by respect for each other's independence and a growing recognition of our interdependence.

Nigeria, for instance, is the United States second largest supplier of imported crude oil. The United States is the largest market for Nigeria's petroleum, and thus the largest source of the revenue which is so vital to Nigeria's dynamic, economic development program.

But the scope of our commerce is much broader than in petroleum alone. Our growing trade serves the interests of both countries. When we purchase Nigerian products, we contribute to Nigerian development. But unless we can also share our technology and share our productive capacity with you, our own economy slows down, American workers lose their jobs, and the resulting economic sluggishness means that we can buy less from you.

Financial encouragement to developing nations is therefore in our interest, because a world of prosperous, developing economies is a world in which America's economy can prosper.

We are increasing our bilateral development assistance to Africa, and on my return to Washington, I will recommend to the Congress that the United States contribute \$125 million to the second replenishment of the African Development Fund.

I'm happy to announce, also, that just before leaving Washington, I authorized our Corps of Engineers to offer to participate, as requested by you, in the comprehensive development of the Niger River System.

We are giving new priority to cooperating in international efforts to improve health around the world. We would like to study with you how we can best work with Nigeria and other nations of Africa to deal with the killing and the crippling diseases that still afflict this continent.

Three days ago I spoke in Caracas, Venezuela, about our commitment to international economic growth and equity. All of us can gain if we act fairly toward one another.

Nigeria acted on this principle in helping to negotiate the Lomé Convention and the birth of the Economic Community of West African States.

All nations can act on this principle by making world trade increasingly free and fair. Private investment can help, under arrangements benefiting both the investors and also the host countries like your own. And sharing technology can make a crucial difference. We are especially pleased that Nigeria is sending so many of your young people to the United States for training in the middle-level technical skills.

There must be fair international agreements on such issues as stabilizing commodity prices, the creation of a Common Fund, and relieving the debt burden of the poorest nations.

Every government has the obligation to promote economic justice within its own

nation, as well as among nations. American development assistance will go increasingly to those areas where it can make the greatest contribution to the economic rights of the poor.

Progress towards economic development requires the pursuit of our third goal as well—again which we share with you—a peaceful Africa, free of military intervention, for economic progress is best pursued in times of peace.

Africans themselves can best find peaceful answers to African disputes through the Organization of African Unity and, when needed, with the help of the United Nations.

We support your efforts to strengthen the peacemaking role of the Organization of African Unity, and we share Nigeria's belief in the practical contributions the United Nations can make.

U.N. peacekeeping forces are already, today, playing a crucial role in the Middle East. They can help bring independence and majority rule, in peace, to Namibia and to Zimbabwe.

The military intervention of outside powers or their proxies in such disputes too often makes local conflicts even more complicated and dangerous and opens the door to a new form of domination or colonialism. We oppose such intervention by outside military forces. We must not allow great power rivalries to destroy our hopes for an Africa at peace.

This is one reason we applaud the leading role of Nigeria in seeking to find peaceful solutions to such tragedies as the recent struggle between Ethiopia and Somalia in the Horn of Africa.

We are concerned that foreign troops are already planning for military action inside Ethiopia against the Eritreans, which will result in greatly increased bloodshed among those unfortunate peoples. Although I will remain careful to see that our friends are not put at a dis-

advantage, I am working to curb our own role as a supplier of arms, and we urge others to show similar restraint.

We prefer to seek good relations with African and other nations through the works of peace, not war. America's contribution will be to life and development and not to death or destruction.

Plainly, military restraint by outsiders can best be brought about if all nations, including those who buy weapons, actively seek that constraint. We would welcome and support voluntary regional agreements among African leaders to reduce the purchase of weapons as a major step towards peace and away from the economic deprivation of the poor, when badly needed money that could give them a better life goes to purchase weapons to take lives.

I've talked about many subjects this afternoon, very briefly, but in one way or another, I've been talking about change in the world that we all share. Sometimes we grow impatient or cynical about that change, thinking that it's too slow, that it may not come at all.

I know something about social change. In my own lifetime, I've seen the region of my birth, the southern part of the United States, changed from a place of poverty and despair and racial division to a land of bright promise and opportunity and increasing racial harmony.

I've seen the towering wall between the races taken down, piece by piece, until the whites and the blacks of my country could reach across it to each other.

I know that our own society is different from any other, and I know that we still have much to do in the United States. But nothing can shake my faith that in every part of the world, peaceful change can come and bless the lives of human beings. Nothing can make me doubt that this continent will win its struggle for freedom—freedom from racism and the

denial of human rights, freedom from want and suffering, and freedom from the destruction of war and foreign intervention.

Nigeria is a great and influential nation, a regional and an international leader. We stand by you in your work. We know that Africans will always take the lead in shaping the destiny of your own people. And we know that this continent will enjoy the liberation that can come to those who put racial division and injustice behind them.

I believe that this day is coming for Africa. And on that day, blacks and whites alike will be able to say, in the words of a great man from my own State, Dr. Martin Luther King, Jr., "Free at last, free at last, great God Almighty, we are free at last."

Thank you very much.

DR. AKINYEMI. Mr. President, Your Excellencies, the biggest honor which we in this country confer on people whom we respect is not to ignore them. In the next coming days, weeks, and months, every word you've uttered here this evening is going to be analyzed, is going to be dissected. And, Mr. President, we'll keep you informed of it.

Thank you very much.

NOTE: Bolaji Akinyemi, director general of the Nigerian Institute of International Affairs, spoke at 3:45 p.m. In his opening remarks, the President referred to Joseph Nanven Garba, Commissioner for External Affairs.

## Lagos, Nigeria

*Question-and-Answer Session With  
Reporters Following Meetings Between  
the President and General Obasanjo.  
April 2, 1978*

### SOUTHERN AFRICA POLICY

Q. Mr. President, is there any connection between your public position on

southern African policy and how you take your votes at the Security Council on southern Africa?

THE PRESIDENT. We have, as you know, only recently as a nation been deeply involved in trying to bring peace to southern Africa. We have taken the initiative, along with the British, in Zimbabwe, to try to bring out a resolution of those very serious problems—peace, majority rule, the melding of the liberation forces as a base in the future security of Zimbabwe. And we have also taken the initiative, along with Germany and France, Great Britain and Canada, under the United Nations, to bring a resolution of the problem in Namibia—again, majority rule, free elections, the right of the blacks to have their rights honored.

I think that is accurate to say, too, that the recent action by the United Nations to implement an arms embargo against South Africa was preceded by our own unilateral action implementing an arms embargo long before the U.N. acted, and we support that arms embargo completely.

### U.S. INVESTMENTS AND ASSISTANCE TO NIGERIA

Q. Can you tell us if you talked about the oil situation and the fact that Nigeria wants more technology from the United States?

THE PRESIDENT. Yes. We discussed the oil situation in Nigeria. We also discussed the prospect of purchasing liquefied natural gas, which Nigeria will be ready to produce by 1983, and the need of Nigeria for technical assistance not only in petroleum, but in other aspects of economic development.

There are now, as I said in my speech yesterday, 15,000 Nigerian students and, in addition, a thousand more who are getting specific middle-level technical training in the United States. Five hundred are already there, 500 more are

coming. In addition, the Nigerians have requested senior assistance, retired executives from the United States who have knowledge in economic development and petroleum to come here to work with them. And we will pursue that through the Secretary of State.

The Eximbank loans, the OPIC insurance, which I think we now have 31 applicants who are ready to come into Nigeria to make investments—this will be expedited.

In addition, we have established, after General Obasanjo's visit to the United States in October, detailed discussions between our own Commerce Department and other officials and the Nigerians on how we can increase investment and technical assistance for Nigeria.

It is a very good country in which to invest. There is a stable government with a prospect of constitutional government that will be equally stable. I think the past problems with American investors have now been overcome. I know that several major companies—Ford, Mack Truck, Bechtel, and others—are now coming into Nigeria to invest.

So, I would guess that all the needs of Nigeria—technical assistance and development—will be met.

#### EMBARGOES AGAINST SOUTH AFRICA

Q. Did the General ask you, Mr. President, to take stronger action toward South Africa and Rhodesia, perhaps more embargoes?

THE PRESIDENT. I think the General would be more inclined to take additional embargo action against South Africa than would we. As I have said, we have cooperated in the United Nations actions, and even before the U.N. action, we took unilateral steps to declare a complete arms embargo against South Africa.

#### U.S.-NIGERIAN COOPERATION

Q. Mr. President, what specific areas of bilateral cooperation would you like between your country and Nigeria on any issue, or on any important project to use for this important visit?

THE PRESIDENT. We have got now four committees set up, one for the development of Nigerian agriculture. This is a joint effort where we help Nigeria and we learn in the process. Another one of the subcommittees is on education. And we have always had, for many years, a very good relationship here. We want to improve it.

Another one is in economic development. I mentioned that we have 31 applicants right now of American business investments that are waiting to be made in Nigeria. And the fourth one is technical assistance, where we will provide technical training in the United States and send technicians here who are expert, to help with the future development of the Nigerian economy.

These efforts are all very fruitful, and they will be better in the future. We have decided, for instance, this morning that the joint study commission that was set up last October, that already met in Nigeria in November, will have another meeting in the United States in April, this month, the last of this month, will make a report to me and to General Obasanjo by the end of May to identify any remaining problems, so that he and I can personally resolve those problems and remove the obstacles to the further economic development, on a joint basis, between our country and Nigeria.

#### MEETINGS ON ZIMBABWE AND NAMIBIA

Q. You said the General would be more inclined to have stronger embargoes. Did he urge you to do anything that your administration is not doing

now to take steps in other areas in support of the change in South Africa?

THE PRESIDENT. Yes. We have had a very thorough discussion not only between myself and General Obasanjo and his Ministers (Foreign),<sup>1</sup> but yesterday we had a foreign-level discussion with other nations, including the frontline countries around Rhodesia.

We now will move as quickly as possible to call together the parties who are in dispute concerning Zimbabwe, those who are identified as a patriotic front, the frontline nations who surround Rhodesia, and also the parties to the internal settlement—Smith, Muzorewa, Sithole, and Chirau.

We will begin now to explore the earliest date when this might be accomplished. We and the British will act as hosts, and we will, of course, encourage United Nations participation as well.

In the case of Namibia, the five-nation group operating as a committee of the United Nations Security Council—these are the permanent committee members in the Security Council that I have named earlier, the Western members—will contact the South Africans to put forward our proposal and also to contact the SWAPO leaders.

The frontline president, then the Nigerian leaders will be in contact with Sam Nujoma, who is head of the SWAPO group. So, in these two major areas of dispute, Zimbabwe and Namibia, we will expedite our action at the urging of and with the cooperation of the Nigerian officials.

In the case of the Horn of Africa, Nigeria has long played a leading role, has been chairman of the subcommittee—under the Organization of African Unity—for the Horn of Africa, and they have begun now to make attempts to get the Ethiopians and the Somalians to meet,

to make permanent the peace that has been established in recent weeks, in recent days.

We also hope that there will be an avoidance of bloodshed as it relates to the Eritreans. So, I think in these three major areas, we have reached a common purpose. And so far as I know, there are no remaining differences between myself and General Obasanjo.

Q. At what level will this Rhodesian meeting be?

THE PRESIDENT. At the Foreign Secretary level. The plans are that Secretary Vance and, perhaps, David Owen from Britain would be present and in person.

#### VALUE OF THE DOLLAR

Q. Mr. President, did you reach an agreement with General Obasanjo about stabilizing the dollar?

THE PRESIDENT. I wish that General Obasanjo and I could act on a bilateral basis to completely stabilize the dollar. The dollar is a very sound currency. It is based primarily upon the economy of the United States, which is strong, growing stronger.

There are several factors that will tend to increase the value of the dollar this year. Our imports of oil will be level this year. They were increasing rapidly last year, which was a bad factor last year. The interest rates in our country are higher now than they were before, which will encourage additional investment in our country, which will also help the dollar.

We need very urgently to have the Congress of the United States act on my proposals concerning the comprehensive energy policy. This will stabilize the dollar, and the prospects for that success in the Congress are good. And I believe that there is a general feeling that our economy will continue to grow at about the same rate that it did last year.

<sup>1</sup> Printed in the transcript.

Last year we were growing much faster than our major trading partners—Germany, Great Britain, Italy, France, Japan, and others. This year those other nations will have a faster growth, which means that they can buy more of our goods and cut down on our adverse balance of payments. So, for all these reasons and others that I could describe, I think the prospects for a stable dollar are very good.

#### HUMAN RIGHTS

Q. Did you discuss human rights and any specifics at all, and particularly, did you discuss Uganda and Idi Amin in regards to human rights?

THE PRESIDENT. We did not discuss Uganda. I did mention in my speech yesterday my gratitude that the Organization of African States has shown fit not only to condemn white nations when they deprive persons of human rights but also condemn black leaders, as well, where human rights are abridged.

We did discuss the question of human rights. There is no difference, of course, between our Government, Nigeria and the United States, because we recognize that within our own countries, we have made every effort to enhance human rights. I think political oppressions and the right of people to participate in their government is one that has good prospects of even greater improvement in the future.

We also discussed the problem of human rights that accrue because of poverty—deprived of a right of a place to live and to adequate food and clothing and education and health care. And through our own contributions to the African Development Bank, our own contributions to the International Monetary Fund, the World Bank, through direct bilateral aid, which primarily goes to the very poor countries, and through increased trade and technical service to

countries that have had good success, like Nigeria, we are trying to alleviate those human rights and deprivations that come from poverty.

So, we have a very close relationship in our commitment to human rights between ourselves and the Nigerians, and also we have a very good, permanent, personal friendship between myself, General Obasanjo, and other leaders of our Government, which is very helpful to us.

We have benefited just as much in the United States from our good relationships with Nigeria as have the Nigerians, and although it has been very good historically and at the present time, we believe that those relations are going to be even better than in the years to come.

REPORTER. Thank you, Mr. President.

NOTE: The session began at 12:25 p.m. at the State House Marina, following the departure of General Obasanjo.

As printed above, the item follows the White House press release.

## Lagos, Nigeria

*Toasts at the State Dinner. April 2, 1978*

GENERAL OBASANJO. *President Jimmy Carter and Mrs. Carter, distinguished guests:*

It gives me great pleasure and satisfaction, Mr. President, to once again welcome you and Mrs. Carter to Nigeria on behalf of the Government of Nigeria and in the name of the entire people of our country.

Your presence with us, historic in itself as the first state visit ever undertaken by a President of the United States of America to this part of the world, is of unique significance.

It is also gratifying that you are visiting Nigeria so soon after my own visit to your great country, thus affording us the op-

portunity to reciprocate, even in a modest way and in the traditional African manner, the warmth of the reception, the generosity, and the meticulous care and attention which were accorded me and my delegation during our visit to your country.

In the conduct of international relations today, direct, personal contacts and consultations among those who are charged with the responsibilities of guiding the affairs of their respective nations are a vital instrument for promoting international understanding and respect for one another's views and positions. We are pleased for this opportunity, offered by your visit, to continue the dialog and exchange of views on the various matters of mutual interest to our two countries which were initiated in the course of my visit to the United States.

Our discussion then, as now, centered on our joint search for international peace and stability; the restructuring of interstate relations to ensure freedom, understanding, and justice, as well as a more equitable economic quota between the rich and the poor nations; the improvement of fundamental human rights and the dignity of man everywhere, whatever his race, color, or creed.

We believe that in our efforts to attain these goals, every nation has an obligation to fulfill and a contribution to make, irrespective of size, circumstance, or geopolitical status. To many of us in Nigeria, and, if I may venture to say, in Africa generally, the United States as a nation evokes sentiment of admiration, since your country has come a long way from casting away the yoke of colonialism to building a relatively free, united, and strong society, where the freedom of the individual and his rights remain supreme.

This strength of your society lies not merely in the breathtaking capacity of its astronauts, nor in America's unequaled

mastery of the skills of science and technology, not even so much in the quality of life, but, above all, in the constant endeavor to live up to the ideals of its Founding Fathers.

I believe many will accept and agree that herein lies the greatest attribute of the American society.

Besides, Mr. President, the continuing American aspiration and contribution to the noble ideals of social justice and human liberty, at home and abroad, have made its influence felt within your borders and across the vast seas and farflung frontiers of states.

The search for these noble ideals is a never-ending process, whether in developed societies like yours or in developing societies like ours.

Your personal commitment to decent human values and service to mankind is not in doubt. We remember with admiration that your mother, Miss Lillian, at the age of 70, did serve with the Peace Corps in India in 1968, long before you became the President. This deep-rooted family concern for humanity has provided the inner strength of your own personal sincerity on matters of human and civil rights and underlies the understanding of our two Governments on issues affecting the life and dignity of the black man.

Mr. President, we consider it, therefore, a logical development that Africa should now occupy its rightful place in the heart of America's foreign policy.

In your brief stay in this capital city of Lagos, you will perhaps already have gained some impression of some of the urgent and critical problems with which we are coping in our endeavor to build up Nigeria into a progressive and virile society, not only with a strong economic base but one founded on respect and dignity for human values.

We have assiduously embarked on the implementation of a political program

that will lead to a stable, dynamic, and elected democratic political system where the weak and the strong will equally feel secure and protected.

On the economic front, our program is designed not only to provide a firm and strong industrial base but also to progressively gain control of the commanding heights of our economy and to spread the fruits of development evenly through our society.

In this challenging enterprise we have always welcomed and we will continue to welcome the understanding and active cooperation and collaboration of all genuine friends from outside our borders. And we will continue, as we have done in the past, to ensure security of all investments made in our economy, in accordance with our laws and our regulations.

We share in common with the rest of the developing world the usual disabilities of inadequate food and shelter, weak economic structures, poor health facilities, mass illiteracy, lack of an adequate technological base, and an unflattering human environment—all mainly caused by colonialism.

While we count our own modest achievements in our struggle for development, we can only do so in marginal and relative terms. Besides, our low level of development stands out in bold relief, because we live in a continent where poverty, illiteracy, ignorance, disease, and squalor are the rule, rather than the exception, and where a majority of the least developed nations in the world are found.

The development objectives and achievements of Nigeria, therefore, cannot be viewed in isolation from continental obligations and situations on the one hand, and internationally acceptable definition of development on the other.

On the political plane, Mr. President, one outstanding and most welcome devel-

opment in contemporary relations between Nigeria and your great country, particularly since the inception of your administration, as I had occasion to say when I welcomed you in Dodan Barracks, is the growing contact and consultation between us.

As a result of this development, you are now, no doubt, better equipped to understand the reason for our persistent reference to the grave threat to international peace and security caused by the explosive situation in the southern part of Africa.

For obvious reasons, and by virtue of our position, we cannot remain indifferent while the racists in southern Africa oppress, repress, and subject to inhuman degradation the overwhelming majority of the indigenous people of the area and deny them the most basic human rights and elementary freedoms.

You will, no doubt, understand and appreciate, therefore, our uncompromising insistence on dismantling the present inhuman systems in southern Africa in favor of a fair and just society.

From all indications our two Governments share identical views in this regard, which I believe is perfectly understandable, judging by your own country's great struggles, soon after its foundation, for the attainment of these same ideals.

In our endeavors to achieve these goals, our choice of means and methods and our precision of timing may differ. But from our exchange of views from this visit, we are convinced that our common desires and dedication to the task cannot be called in doubt. On our part, we shall therefore continue to extend all necessary moral and material assistance to the victims of injustice, oppression, and apartheid in southern Africa.

I believe, also, that it is pertinent to mention our deep concern about the present level of foreign collaboration with



the South African regime, particularly in economic and military matters, which tend to sustain the apartheid machinery of repression and persecution of the majority, indigenous African population. Your country's little gestures of disengagement in this regard are welcome, and we hope, Mr. President, that they mark the beginnings of a realization that, put together, black Africa as a whole offers wider economic possibilities as an alternative choice than South Africa alone, and that without a peaceful change of policy of apartheid now, any investment in South Africa is a risky and insecure investment.

In Zimbabwe, your country and the British colonial authority have, over the past 1 year, embarked together on a search for a durable, just, and acceptable settlement, leading to an early transfer of power to the majority population of the land.

We have joined those who believe that the Anglo-American proposals for a peaceful settlement ought to be given a chance, and we were quick to say so. This we have done because we believe that these proposals contain sufficient positive elements to serve as bases for bringing about true independence in Zimbabwe, and we think it will not be wise to throw away the baby with the bath water.

We expressed our concern when it appeared to us that these proposals were not being pursued with as much candor and enthusiasm as Africa had hoped. With total rejection of the so-called internal settlement of Ian Smith by the world community, and your personal continued support for the Anglo-American proposals, we are gratified to note that the proposals are back on the rails once again.

We assure you of our positive support in the search for an early establishment of unqualified democracy in a truly independent Zimbabwe. Similarly, in Nami-

bia, we are encouraged to note the positive role which the United States of America is playing in collaboration with other Western powers to usher in an era of independence and so end South Africa's illegal military occupation.

We stand firmly by SWAPO in their struggles for the freedom of their fatherland, and we also pledge to work ceaselessly to see that peace and justice return to that part of our continent in the context of true independence.

We believe that a truly independent Namibia and a South Africa, rid of the inhuman policy of apartheid, can live together as good neighbors in harmony and cooperation.

As you will be fully aware, our newly independent states in Africa have not been spared the ordeal of spending their meager resources in the prosecution of fratricidal and often futile wars, in many cases with encouragement by powers from ideological camps outside the continent who are seeking ideological, economic, and strategic spheres of influence.

It is Africa's desire to settle her own disputes our own way, if necessary under the auspices of the Organization of African Unity.

While we are naturally preoccupied with peace and security in the African continent in the first instance, I believe the point is worth emphasizing here that Africa is equally interested in the current efforts at détente between East and West, as this is the only dependable means of ensuring peace and stability in the world and development all around, especially in new states. For the same reasons, we are vitally interested in an early restoration of just and durable peace in the Middle East.

On the question of world peace, Mr. President, what applies to Africa in terms of congenial atmosphere and conditions for development applies equally to

the rest of the developing world generally. The problems of development of these countries are of such immense dimensions that they demand global perspectives and strategies because, as we have all seen, the conventional and piecemeal approach of donors and receivers of aid and technical assistance has proved itself totally inadequate. A completely fresh approach, therefore, may serve to emphasize the interdependence of our resources and, hopefully, also stem the tide of deep frustration that now pervades the underprivileged half of the world and which the developed world sees as lack of opposition of their efforts.

We believe in this regard that what we require is a fundamental restructuring of the international economic system to modify drastically and modernize the rules governing international trade, access to markets and development capital, the unimpeded flow of technology, and a demonstration of a greater sense of commitment and political will on the part of all concerned to concretize the demands of a new international economic order.

Unfortunately, there has so far been no demonstrable evidence of that sense of commitment or even of concern at international forums, where discussions are currently proceeding on relief for the least developed countries, or agreement on an acceptable form of common fund to provide a mechanism for ensuring uninterrupted and regular flow of earnings for the exports of the Third World.

Your country, Mr. President, has the necessary capacity and the influence and is well placed to play a leading role in this regard. We can bring the developed and developing worlds together in the harmonious cooperation to inspire reforms and to adopt new development initiatives.

We share your concern about the dangerous, high level of armament and about

the enormous economic resources consumed by the armament race.

We continue to follow the progress of the strategic arms limitation talks, and we hope that there will be an early agreement that will lead to a reduction in the production and stockpiling of armaments and subsequent freeing of more resources of the world for social programs that will directly lead to improvement of quality of life, especially in developing countries.

Mr. President, let me end by saying once again what a great pleasure it has been for the Nigerian Government and people to welcome you and Mrs. Carter. We hope that even in spite of its brevity, your visit has nevertheless offered you some closer, personal insight into our conditions and our way of life.

As you leave our shores after this historic visit to Africa, you do so, Mr. President, with the sincere good wishes of the Government and people of Nigeria and the appreciation of the value of your memorable visit here.

Your Excellencies, distinguished guests, ladies and gentlemen, may I ask you to kindly join me in drinking a toast to the United States of America, to the strengthening of relations and friendship between the Nigerian and American peoples, and to the personal good health and well-being of President Jimmy Carter and Mrs. Carter.

*THE PRESIDENT. General Obasanjo and distinguished officials of the Military Government of Nigeria, officials from other countries, including our own, and ladies and gentlemen, and friends:*

Yesterday I had an opportunity to speak at your great civic center to several thousand people assembled there by the Institute on Political Studies. I spelled out the position of our own Nation as it relates to the interrelationship between ourselves and Nigeria, and to Africa, in par-

ticular, among the other continents and communities of the world.

So tonight, I would like to refer more personally to my impressions of the visit that I have had with General Obasanjo.

I noticed when the entertainment was introduced, the first statement made was, "No one knows where we go when we die." General Obasanjo and I have discussed our future when we die as political leaders in a few years, and—[*laughter*]—since we both come from great peanut-producing nations, we decided we would go into a farming partnership. [*Laughter*] I'll share my farm with him in Georgia, and he'll have to share some farmland with me in Nigeria. And we'll have a chance to travel back and forth to learn to like each other even more and to get better acquainted even with the people in our two countries.

I also noticed that the ancient custom of not being able to tell an *oba* bad news is one that I would really appreciate as President of the United States. [*Laughter*] The only problem is I'm afraid that no one would ever have a chance to talk to me about anything, because bad news is all I have a chance to talk about as President of our country. [*Laughter*]

We have formed a good relationship, a friendly one, one based not just on serious things but on discussions that show that we are at ease with one another. And we share the responsibilities of leadership of two of the great nations of the world.

Today when I was getting ready to leave for Tin Can Island, I invited General Obasanjo to go with me on the trip. He said he couldn't stand to go and look at how much money Nigeria was spending on new port facilities. But when I got there and saw the tremendous new capabilities that Nigeria has now opened up to trade with the rest of the world, I realized what a wise government Nigeria has and

how the present investments will pay rich dividends in the future.

Your growth has been extraordinary, very rapid. And I know, even from a nation that has been in existence now for more than 200 years, how difficult it is to deal with rapid change and rapid growth and a yearning among our people for a better life, a proper distribution of wealth and opportunity. And these are the kinds of things that we learn, one from another.

As I mentioned in church this morning, I first began to learn about Nigeria more than 40 years ago, as we studied in a small Baptist church in my town in Georgia about the common religious faith that aroused our interest as Christians in your country. We are a highly diverse nation with a wide range of religious beliefs, as are you. But there is a fundamental faith in a higher authority on which we've predicated our laws, our customs, our beliefs, and our hopes and confidence in the future.

This is one thing that binds us together, and it has done it for many ages in the past, and it will be a basis for a common purpose and a common sharing of life in the future.

We've had a chance during the few hours we've been here—I, my wife, my little daughter—to learn about the ancient culture of Nigeria, much more advanced than ours, beautiful artifacts of 2,000 or more years ago, where you had an already existing culture, well based on the intelligence and the beauty of your people's minds, that has existed down to the present day. And I believe it's accurate to say that when a country is dynamic, is growing, is struggling, is challenged on occasion—as Andy Young said yesterday, it's when we learn to appreciate our ancient culture, our roots, and our past even more.

You have much to be admired, and we have new things as well from which we

can learn and teach one another. There is a growing participation of your people in government, and I've never known a more idealistic approach to the future in government than the one that now is being considered by your constitutional body as you write a set of permanent laws to guide your nation toward absolute, true democracy very shortly in the months ahead.

This will indeed be an inspiration to the whole world. You've also had a common experience with us of overthrowing colonial rule, and even after that, as did we, experiencing a very tragic civil war.

I doubt that there's been a case in history when, after a deeply divisive war, more immediate and successful attempts were made to bind a nation back together and to heal the wounds of that division. And all the people in this room, and particularly the leaders of the military government, can be congratulated for the recovery from your tragic war.

This is something that we've shared and we know very well in the southern part of the United States. I think your national motto, ahead of me on your emblem, "Unity and Faith," is a very fine, constant reminder of what you have cherished in the past, what you have in the present, and what you will have in the future.

There's another thing that we share—us with a newness and you, also, with a newness of approach—and that is tremendous international influence. You are a powerful nation. You are a strong nation. You're a large nation. And you have a very influential nation.

I think the fairness and the benevolence of your attitude is increasing on a daily basis the confidence of other leaders of the world in the Nigerian leaders. It's obvious that in spite of your strength, your relative wealth, your military prowess and force, and the size of your population, you have nothing but a good attitude toward

your immediate neighbors and the other countries of Africa.

And it's indeed a reassuring thing for me, as a President of the United States, to have a sense of partnership and an opportunity to have the counsel and advice from the leaders of your great country. We have discussed in the last 2 days some of the most difficult areas of the world, where peace and good will does not exist, but where our influence, combined with yours and others, might correct those defects in the relationship among neighboring peoples.

We've discussed our talks with the Soviet Union. We've discussed our efforts in the Middle East to bring the Israelis and the Arab countries and peoples together for a permanent peaceful settlement. We've talked about the Horn of Africa, where you, again, are playing a leading role. We've discussed Zimbabwe—as General Obasanjo has already described—our efforts and the British efforts jointly, working under the principles of international law and the United Nations, guided by the frontline Presidents, by General Obasanjo and others, to do the right thing in Africa, constantly being reminded of the need for rapid action and learning from you how that rapid action might be ensured. This is very beneficial to us, to you, to all the countries in Africa, indeed, the world.

We've also learned a great deal about the attitude of people in Namibia, your closeness with SWAPO and its leaders, our influence, along with other Western nations, in inducing South Africa to deal fairly with the people in Namibia under the auspices of and in compliance with United Nations resolutions. And our abhorrence of racial prejudice, discrimination, and apartheid has been demonstrated again here, and our strength of commitment against this blemish on

Africa has been renewed and strengthened by our discussions with the great Nigerian leaders.

Together, I believe we can bring a change that will make all of us proud in Africa in the months and the years ahead.

The last thing I would like to say is this: The bilateral relationships with your country is of great benefit to the United States. You're one of our most important trading partners. And as I spoke at the Institution on Political Affairs yesterday, the director of that Institute told me afterwards, among the 3,500 or so people there, that more than half of them in the audience had had at least part of their education in the United States. We learn as much from you as you learn from us.

In the field of agriculture, we see a new era of additional consultation, mutual work, mutual learning, mutual benefit. So, the tremendous potential of your country can be used not only to feed your own people but to export to an increasingly hungry world, because land can no longer be wasted, and your tremendous natural resources in land, with which God has blessed you, can be used much more efficiently in the future and will benefit not only us but others who look to you for meeting their growing needs.

We are a great technological nation, highly advanced, and only with the investment of our technology in growing nations like your own can we benefit economically in the future. This is important to us as well.

And, of course, our mutual trade gives our own people a better life, materials which we must have for a good life for American citizens and, in the process, makes it possible for you to prosper again economically.

I'm particularly proud at the personal friendship that has been shown to us by the people of Nigeria. We arrived here in the middle of the night, and we were sur-

prised and deeply moved at the number of average, happy, welcoming Nigerian people who stood along the highway to let us know that they cared for me, cared for the United States and what our Nation stands for. It's an experience which I shall never forget.

And this has been mirrored in countless encounters between myself and your people, my wife Rosalynn and your people, and my little daughter, Amy, and your young people, which has meant so much to us already.

This is a trip that I will never forget the rest of my life. I hope that I might come back again. And I hope that General Obasanjo can continue to share with me his wisdom and his judgment, derived from you, and his knowledge of this great country and this great continent.

In closing, I would like, on behalf of the people of one of the greatest nations on Earth, the United States, to propose a toast to a great leader, General Obasanjo, and to the people of one of the greatest nations on Earth, the people of Nigeria.

NOTE: The exchange began at 9:15 p.m. at the Federal Palace Hotel.

## Lagos, Nigeria

### *Remarks on Signing the Joint Communiqué. April 2, 1978*

GENERAL OBASANJO. I once again would like to take this opportunity to express our honor for this historic visit and the opportunity which we have had during the visit to examine issues of mutual interest to our two countries and issues which have been reflected in the communiqué. Of course, we did have two sessions of discussion, one yesterday and one immediately after the church service today. And we used the opportunity to examine during the first session political issues affecting Africa in

particular, and we were able to examine the areas of particular interest—the Horn of Africa, southern Africa, and the aspirations of Africa in general.

Now, in the Horn of Africa, we, as the Chairman of OAU's Good Offices Commission, have been charged with special responsibility of bringing about the conciliation between the two parties, between the two countries, and we have accepted that challenge.

We have taken steps to bring about understanding and reconciliation between Ethiopia and Somalia, and we hope that in a matter of weeks we will be able to achieve some measure of reconciliation, which will at least make peace endure in that part of our continent and which will also make the need for further acquisition of armaments by either side unnecessary, and which will make these two countries, who need economic and crucial improvement of their people, concentrate on these needs. And anybody who wants to help, be that in Africa or from within Africa or from outside Africa, who will channel such help or such assistance through economic and social areas which the people of Somalia and the people of Ethiopia need most.

We, of course, looked at southern Africa, and as the President has rightly said and as I did mention in my short toast—*[laughter]*—in honor of the President, we have been able to agree on—and in fact all along—agreement on what is bad has not been our problem. We know what is bad, and that we have agreed upon.

We also know what is required. That we agree upon. In terms of how to achieve what is required expeditiously, particularly for us to get going, that I believe that during this visit we have been able to agree on how to get going and thereby bring about what is desirable in Zimbabwe and Namibia.

And also I believe we agreed that the evils of apartheid will not be encouraged. We agreed that apartheid is a policy that must be eradicated. We also agree that it will be not so easy. Therefore, the two of us, working together in areas we can work together and working separately in areas where we have to work separately, we must work to bring about the change of policy in South Africa.

We then moved on from Africa to, politically, to other parts of the world. We considered the Middle East, and we appreciated the efforts which the United States has made and which the United States is making. We support all the efforts that have been made to bring about just and honorable peace in the Middle East. And we will continue to support such effort.

We discussed the East-West, because, as I did say, it is in the interest of the world and definitely in the interest of the developing half of the world that there must be peace in the world. And we believe that there may be no enduring and lasting peace in the world unless there is accommodation between the two great powers of the world.

And we were very delighted to note that substantive effort has gone into the SALT talks, and the progress that has been made is very encouraging.

Then we discussed on the economic side what is called the bilateral relations in this respect between Nigeria and the U.S., between the U.S. and Africa. And we noted with satisfaction the new effort the U.S. Government is making in the direction of providing more money for the African Development Fund. We also note the concern, which is also our concern, of the United States for getting satisfactory new world economic order. And the lack of political will, which seems to have been what has bedeviled the efforts in this direction in the past, seems to have been

realized. And there is a definite commitment on the part of our two countries to bring about this, the needed political will, which will have to be brought about not only on our own part but on the part of countries in a different situation, the industrialized and the developed countries, which have the responsibility of President Carter and the United States country and the developing countries, which we will bring as much of our efforts to bear on, countries in the type of position to see the need for us to work together and bring about the political support for working out something at least that will be better than what is now in existence.

These are the areas we have covered, and it is the coverage of these areas that has led to what I believe we have signed. Mr. President, am I right?

THE PRESIDENT. General Obasanjo, that was an excellent summary of the points that have been made and described in the joint communique. This is not a typical communique signed at the end of a visit which has no substance and no meaning. It's been very carefully drafted as a result of what, unfortunately, is the first official visit of any American President to this region of the world.

Nigeria is recognized in this continent and throughout the world as one of the major nations of the modern day. And what they say through their leaders will have a profound impact not only on us, during these discussions, but on governments everywhere, who will study this communique to determine how is it that Nigeria and the United States can agree on a common statement, what are these principles that they espouse, what is the action that they envision for the future.

The first few sentences that General Obasanjo said when I began my discussions with him were, "We are very glad that finally the United States has turned its eyes and its interest and its influence

toward Africa, because the principles that are the basis for the American Constitution and Government and people are exactly the principles that Africa needs to study and to adopt whenever possible in our own country and in our own continent."

We have seen common themes go throughout every stop we've made. The overwhelming single two words that describe this theme is "human rights" in all its aspects. And the hunger for freedom, the hunger for liberty, the hunger for individuality, the hunger for a right to be free of oppression, to participate in one's own government, to shape one's own destiny, to have something to eat, a place to live, food to drink, and education for one's children, are deprivations that are deeply felt. And the more that leaders of strong nations can speak out openly and aggressively on these subjects for the poor and deprived and the illiterate and the inarticulate people who can't speak out and have their voices heard, the better off will be the whole world.

I think in every respect that we've discussed—that General Obasanjo has outlined and I won't repeat—to solve the Middle East, Zimbabwe, Namibia, South Africa, there is an abhorrence on our part against the gross abuses of human rights and the threat to world peace.

The last point I would like to make is one that he has referred to several times, including his toast a few minutes ago, and that is our belief that Africans are completely able to resolve their own differences in Africa as it relates to political and military encounters. And the intrusion of outside forces into African disputes can only aggravate them and exaggerate the death and suffering of people in this continent.

Nigeria plays a major role in the Organization of African Unity. That's a proper forum to go to get a resolution of

differences that still exist in the Horn of Africa. And the OAU, and the United Nations is a proper forum through which we and the Soviet Union, Great Britain, and other great countries can act from outside Africa to help give aid and support in the resolution of differences. And, of course, on a bilateral basis we can help economically and with trade and a common understanding.

I'm very grateful to have an opportunity to come and meet with these leaders of a great country and to learn from them and to help shape the policies of my own Government and to educate my own people and myself so that we can, with greater dispatch, more enthusiasm, and sounder judgment, remain involved deeply in the growth and prosperity to peace and a better life that is inevitable in the future for the people of Africa.

Thank you very much.

NOTE: The exchange began at 9:58 p.m. in the Independence Hall at the Federal Palace Hotel.

## Lagos, Nigeria

### *Joint Communiqué Issued at the Conclusion of Meetings Between the President and General Obasanjo. April 2, 1978*

At the invitation of His Excellency Lt. General Olusegun Obasanjo, Head of the Federal Military Government, Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria, the President of the United States of America, His Excellency Jimmy Carter, and Mrs. Carter paid a State Visit to Nigeria from 31st March to 3rd April, 1978. This visit reciprocated the visit to the United States of America by the Head of the Federal Military Government from 11th to 13th October, 1977. It was the first State Visit by an American President to

sub-Saharan Africa, providing President Carter an opportunity to witness firsthand the aspirations, achievements and problems of contemporary Africa.

In the course of the visit, the two Heads of State met in plenary sessions during which they discussed bilateral and international issues.

President Carter and his host, Lt. General Obasanjo, examined extensively the current state of affairs in the African region and devoted particular attention to the situation in Southern Africa.

They were fully agreed on the need for peace and stability in Africa and expressed the hope that a spirit of reconciliation will prevail in those areas of North-West Africa and in the Horn of Africa that are still victims of fratricidal conflicts.

President Carter expressed satisfaction with Nigeria's efforts in its capacity as Chairman of the OAU Good Offices Commission to restore peace between Ethiopia and Somalia. It was agreed that Nigeria should persevere in its efforts to get the parties in the dispute to negotiate a mutually acceptable and therefore durable solution. With the fighting in the Horn of Africa now ended, the two leaders expressed the hope that the remaining problems in that region will be settled by peaceful means.

On Zimbabwe, the two Heads of State expressed support for the Anglo-American proposal and reiterated their conviction that, in the present circumstances, only a settlement which is based on its principles can bring about racial harmony, prosperity and just and lasting peace in Zimbabwe. The two Heads of State agreed that the arrangements made under the Salisbury Agreement of March 3 do not change the illegal character of the present regime and are unacceptable as they do not guarantee a genuine transfer of power to the majority



nor take into consideration the views of all the Zimbabwean nationalist groups.

The situation in Namibia was also carefully examined. Lt. General Obasanjo emphasized his Government's full support for SWAPO as the authentic leaders of the people in their just struggle for the genuine independence of Namibia, with its unity, sovereignty and territorial integrity full guaranteed. President Carter stressed the need for a settlement of the Namibian issue which would guarantee that all political groups would have an equal and fair opportunity to compete in free elections in which the people of Namibia would make their own choice about their future government. The two leaders agreed that it is essential for the peace and security of Africa that Namibia achieve its independence on the basis of United Nations Security Council Resolution 385.

They reviewed the current efforts of the Five Power Western Contact Group and discussed the settlement proposal which the five have developed as a means to a prompt and peaceful transition to genuine majority rule in Namibia.

The two Heads of State renewed their condemnation of the evil and oppressive system of apartheid in South Africa. They pledged their joint efforts to work toward the elimination of this system and the establishment of justice, equality and human dignity for all races in South Africa within a free society where all citizens will exercise their democratic rights to install a government of their choice. They appealed to all States to do their part toward the realization of this objective.

The Nigerian Head of State, Lt. General Obasanjo, expressed his Government's strong disappointment at the lack of impact of the many concrete proposals put forward in the past to eradicate the obnoxious system of apartheid. This he

ascribed to the inadequacy of the measures adopted as well as the lack of political will on the part of Nations called upon to implement these measures. He noted that some of these Nations have pursued policies of outright collaboration with South Africa, in both military and economic matters. Finally, the Head of State re-emphasized his Government's determination to continue to extend all possible political and material support to the nationalist liberation movements in South Africa, to ensure an early end of the racist minority domination.

President Carter and Lt. General Obasanjo expressed the intention of the United States of America and the Federal Republic of Nigeria, as members of the Security Council, to work closely in the Council in the interest of strengthening international peace and security. They expressed particular approval of the Security Council's prompt action in establishing a United Nations Interim force in Lebanon and pledged their full co-operation to achieve the objectives of the mandate granted by the Security Council.

The two Heads of State exchanged views concerning the situation in the Middle East and deplored the recent violence which occurred in that area. They agreed that it is necessary and urgent to intensify efforts to achieve a just, comprehensive and durable peace based on United Nations Security Council Resolutions 242 and 338. They stressed the importance of withdrawal on all fronts pursuant to Resolution 242 and the resolution of all aspects of the Palestinian question.

The two Heads of State underscored their commitment to the principles of the United Nations Charter, particularly those concerning the importance of human rights in all societies. To this end they cited the importance of strengthening the human rights machinery of the United Nations.

In their review of the International economic situation, the two Heads of State stressed the urgent need for measures to secure a prosperous, just and equitable international economic order. The two leaders placed special emphasis on the importance of close consultations between Nigeria and the United States in the North-South Economic Dialogue and in the work of the General Assembly. They agreed on the value of the United Nations Overview Committee dialogue in enhancing an understanding of global issues of common concern and in promoting development cooperation. They appealed to all nations to strive vigorously for the achievement of the goals specified in the Seventh Special Session of the United Nations General Assembly, in particular with respect to issues of vital importance to the developing countries. In this regard, Lt. General Obasanjo invited attention to the slow pace of progress concerning the establishment of the Common Fund and alleviation of the debt problems of the developing countries. The two Heads of State agreed to cooperate in order to intensify action within the United Nations system towards finding solutions to the problem of global inflation.

The two leaders discussed the United Nations Special Session on Disarmament which opens in May of 1978. As leaders of countries which have played a significant role in United Nations disarmament matters, both Heads of State agreed that the session should provide a stimulus to further concrete disarmament efforts.

The two Heads of State expressed satisfaction at the progress that had been made in recent discussions between the two Governments on bilateral cooperation in economic, commercial and technical fields and agreed to further strengthen relations in these areas. Mutual efforts will be made to expand and diversify trade and development activities

and to facilitate investment in areas of key importance to Nigeria's economic growth. For this purpose the two leaders agreed to set up joint working groups on investment and trade, technology transfer, agriculture and rural development, and education.

The President of the United States of America and Mrs. Carter expressed their profound appreciation to Lt. General Obasanjo, the Nigerian Government and all the people of Nigeria for the gracious hospitality afforded to their party during their visit to Nigeria.

The President was impressed by the visible evidence of the pace of Nigerian economic progress and the vigorous and determined efforts being undertaken by the Federal Military Government to provide for the social and economic development of the people of Nigeria.

The President of the United States was accompanied on his visit to Nigeria by Secretary of State Cyrus Vance, National Security Council Advisor Zbigniew Brzezinski, United Nations Ambassador Andrew Young, Assistant Secretary of State for African Affairs Richard Moose, and a team of senior officials.

His Excellency the Head of State and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria was attended by Chief of Staff (Supreme Headquarters) Brigadier S. M. Yar'Adua, Commissioner for External Affairs Brigadier J. N. Garba, Commissioner for Petroleum Colonel M. Buhari, Federal Commissioner for Agriculture Mr. B. O. Mafeni, Commissioner for Economic Development Dr. O. Adewoye, and a team of senior officials.

Done at Lagos, this second day of April, 1978.

JIMMY CARTER

*President of the United States of America*

LT. GENERAL OLUSEGUN OBASANJO  
*Head of the Federal Military Govern-  
 ment*

*Commander-in-Chief of the Armed  
 Forces of the Federal Republic of  
 Nigeria*

NOTE: The text of the joint communique was released at Lagos, Nigeria.

## The President's Trip to Africa

*Remarks During a Briefing for Reporters on  
 Board Air Force One en Route to Monrovia,  
 Liberia. April 3, 1978*

SECRETARY OF STATE VANCE. Why don't we start off by talking about the release which was just issued on the meetings which the United Kingdom and ourselves are going to call on the Rhodesian question.

As we announced this morning, this follows the meetings which the President had with General Obasanjo and which I subsequently had with the foreign ministers of several of the frontline states. As we indicated, there will be two meetings.

The first of the meetings will be with the participants to the Malta Conference, namely, with the leaders of the Patriotic Front, plus the Foreign Ministers of the frontline states and Namibia, who will be invited to attend as well.

That will lead up to an all-parties meeting which we hope to have with all of the parties to the Rhodesian matter.

As to the dates on which these meetings will be held and the exact places, they are being worked out with the respective parties in the capitals. The first meeting, I would hope, would take place around April 15. If that's convenient to all of the parties, that would be convenient for both David Owen and myself and Andy Young, who will be there, and it would also be

convenient to the foreign ministers of the frontline states in Namibia.

We have not heard yet whether that will be a convenient date for the leaders of the Patriotic Front, and I also will have to check with the Secretary General tomorrow to see whether General Prem Chand can attend on that date.

Q. Is he head of the OAU?

SECRETARY VANCE. No. Prem Chand is the U.N. Representative who was appointed by the Secretary General to work on the Rhodesian problem and to report back to the Secretary General and the Security Council.

Q. Where would this meeting be, at the U.N.?

SECRETARY VANCE. No. It will be in Africa. The final place of the meeting has not yet been selected. But if I had to guess, I would guess it's going to be in Dar Es Salaam.

Q. That means you will have to go back.

SECRETARY VANCE. That means I'll have to go back.

Q. Shortly?

SECRETARY VANCE. Shortly.

Q. Oh, joy. [Laughter] Strike that. [Laughter]

SECRETARY VANCE. As I say, the invitations are being conveyed to the various parties by the British and American representatives today.

Q. Have you sounded out anyone preliminary to the invitations to see whether they'd accept them or not?

SECRETARY VANCE. I am informed that the leaders of the Patriotic Front have agreed to attend such a meeting and to also attend—

Q. The leaders of the Patriotic Front?

SECRETARY VANCE. And when I say such a meeting, I mean both the meeting, the preliminary meeting with the leaders of the Patriotic Front, and an all-parties meeting as well.

Q. Is Ian Smith and the internal settlement group going to be the toughest nut to crack?

SECRETARY VANCE. Yes. We haven't heard from them, of course, because the invitations to attend such a meeting are merely being extended today, and we haven't heard anything from them yet. And I don't expect to hear from them in the immediate future.

Q. Do you anticipate they'll be the most difficult to get into the meeting?

SECRETARY VANCE. I would think so, yes, because we already heard from the others. We know the others are going to come.

Q. Were invitations to both meetings going out today, Mr. Secretary?

SECRETARY VANCE. Yes.

Q. Is that what you are indicating?

SECRETARY VANCE. They are.

Q. Have you sounded many out at all on the subject?

SECRETARY VANCE. We have not, no. As I say, the invitation will be conveyed to him today.

Q. What is new about this from yesterday?

SECRETARY VANCE. From yesterday, we have now set specific times for the meeting and have confirmed that the Patriotic Front is prepared to attend both sets of meetings, so that we have more specificity on that. We also know that the frontline states will attend both meetings, and that is in addition to what we had yesterday. And now we are getting down to the specifics of how to put it all together and get it going.

Q. What is your thought for a date on the second meeting, then?

SECRETARY VANCE. I would hope—this is just my hope—that it could be around the 25th or 26th of April.

Q. The same place?

SECRETARY VANCE. No. I think it would probably be in another place, but

where it would be is still very much up in the air—in Africa, but where, I don't know.

Q. Was there any reason to stress this to Great Britain today?

SECRETARY VANCE. No, no. The British are with us all the way on this.

Q. What are our expectations now as far as Smith and the three internal leaders? Do we expect that they ultimately will come?

SECRETARY VANCE. Well, we certainly hope that they will come, because if one wants to find a way to stop the fighting, then you have to get all of the parties together. And that's everybody's ultimate objective, to have a cease-fire, and then to move on to free elections. And the way to get that is to get all the parties together and have them sit down around the table and agree on the transition arrangements necessary to bring that about, to bring about a cease-fire, and then to move on to elections.

Q. Who else, the transition people and the interim government?

SECRETARY VANCE. Yes, the internal people.

Q. You haven't heard from them either?

SECRETARY VANCE. We have not.

Q. How did you interpret paragraph 5 of page 6—or paragraph 6 of page 5, where General Obasanjo talked about external groups being involved?<sup>1</sup>

SECRETARY VANCE. I interpret that as being a strong statement on his part that it is Africa's desire to settle their own disputes in their own way, and he was merely emphasizing the fact that when outside powers intervene, that this makes the settlement of African disputes more difficult because it gets them involved in

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<sup>1</sup> The reporter was referring to a portion of the transcript of the state dinner toasts which appears on page 657 of this volume.

the ideological concerns of the great powers. And I think what he's saying, really, quite clearly there is, let the Africans handle their own problems in their own way, and there it specifically refers to the OAU. And it's quite logical that he should emphasize this because Nigeria itself has the responsibility in, for example, the Horn, as the head of the Special Committee which is charged with the responsibility of trying to bring about a peaceful solution of that problem.

Q. Why was not something to that effect included in the communique? I mean, you certainly would've liked that.

SECRETARY VANCE. We didn't press for anything like that in the communique, because they have a special role to play, as they are the head of the mediation group. But I think it's well and that we were very pleasantly surprised to see that on his own he stated this.

Q. He could be talking about the French, Biafra, or us in Angola, as well as the Cubans, too?

SECRETARY VANCE. Yes. I think he's got his general principle. He's stating a general principle which I think he believes in very strongly, that African problems ought to be settled by Africans, and we agree with that.

Q. Did the question specifically of Cubans in the Horn come up?

SECRETARY VANCE. Yes. That was discussed in our conversations with President Obasanjo and his advisers.

Q. But he doesn't seem to be as concerned as we are.

SECRETARY VANCE. I think he should speak for himself on that issue. I think, you know, you have the language as contained in his toast last night, and I would think you could draw your own conclusions from that.

Q. The implication that we got yesterday was that Nigerians had expressed

somewhat different views on that, and that specifically they had taken the position that African countries have the right to have whatever relations they want to have with the Soviets and the Cubans. That is what we were told by State Department officials in the backgrounder yesterday.

SECRETARY VANCE. Well, I think that it is true that they believe African countries do have a right to have such arrangements as they want with outside powers, but he is expressing in his toasts his views that, basically, African countries should settle their own problems.

Q. Is it a matter that they think African countries should settle their own problems or they just don't like being told by the United States?

SECRETARY VANCE. I don't think it's the latter.

Q. What is the relationship? This is the primary result of the meeting, isn't it?

SECRETARY VANCE. No. I think that that's one of the important results of the meetings in Nigeria, but I think, also, the discussions which we had on a number of our bilateral matters were of great importance. The trade relationships—

Q. Was there any difference in the 40-60—you know, the 40 percent-60 percent Nigerian management in foreign investment?

SECRETARY VANCE. Well, there are three different sets. Forty-sixty is only one of the various percentages. They have three categories, and the percentage of Nigerian ownership of the local corporations depends upon the importance of that particular industry to Nigeria. And certain ones where it's not that important, then there's a lesser percentage, and it increases in percentage up to a figure of 70 percent in the most critical kind of industries.

Hi, Mr. President. Do you want this seat?

THE PRESIDENT. No, no.

Q. How did you enjoy your trip to Nigeria? We were talking about the results.

THE PRESIDENT. I thought it was a great trip to all three countries so far, much better than we had anticipated in every way. Of course, our ties with Venezuela have been permanent and assured by two former visits between me and President Pérez, but I think the results of the Brazilian trip were more than we had any reason to expect.

The response by the Brazilian Government and people was extraordinary in my opinion, and Nigeria is a country with which we have just entered a new era of consultation, improved trade and diplomatic relations, and obviously it's one of the major new national leaders in the world.

We also enjoyed the trip very much. It was a good experience for us.

Q. There any low points?

THE PRESIDENT. No, I thought the translations—[laughter].

Q. You only have yourself to blame.

THE PRESIDENT. Yes.

Q. In Nigeria, was very bad.

Q. I've got a question for you.

THE PRESIDENT. I understand that when we get to Liberia, we're going to be having some southern accents instead of British accents.

Q. Listen, I had a little trouble understanding Obasanjo.

THE PRESIDENT. That's British, but you won't have any trouble in Liberia because they still speak with a southern accent.

Q. Which is hotter, Nigeria or a peanut field in Georgia?

THE PRESIDENT. A peanut field in Georgia. [Laughter] I think it was 87 in Washington yesterday.

Q. It was. I talked to my wife last night.

THE PRESIDENT. It was a good trip, though.

Q. You were pleased with your meetings with Obasanjo? You really thought you had some new understandings or anything? We're mainly concerned about this business in the Horn, that they don't seem to put the same emphasis that you do on it.

THE PRESIDENT. I think his comments last night, both when we signed the joint communique and at his toasts, showed that he's very concerned about foreign troop presence in Africa.

I know that Tolbert in Liberia has been even more outspoken on this subject. Mobutu in Zaire is very concerned about increasing Cuban presence in the nations around him. Secretary Vance is much more conversant with the latest developments.

SECRETARY VANCE. The same is true with respect to Senghor and to Houphouët-Boigny, too. They both expressed concern about this.

Q. On Brazil, Mr. President, how do you read the communique statement on human rights, the expression of preoccupation with the subject by General Geisel, in view of the fact that there obviously are deficiencies in the country? Is there a real indication that they're going to return to democracy any time soon?

THE PRESIDENT. Well, there are real deficiencies in our own country as well, but I think if you judge the progress over the last 10 years, it is a matter of some satisfaction on the part of President Geisel.

I was there 6 or 7 years ago, and there was no room for public debate or controversy. The press was very reticent in their criticism of the government. I think Cardinal Arns' ability to speak as freely as he does is all a sign of improvement. The number of political prisoners has been reduced 90 percent. There are still a few.

Q. Do you think General Obasanjo shares your concern? Did you get the impression from your private conversations

with him that he shares your concern about the Horn and the Soviets and Cubans there?

THE PRESIDENT. Yes. I think that there's a difference in emphasis. Obviously, we don't see everything from the same perspective. He has been deeply concerned, as he expressed to me in months past, that the international borders in Africa be observed rigidly because, as is the case all over the continent, these were arbitrarily drawn by European colonial powers in decades gone by, and for any of those international borders to be changed sets a precedent that concerns all the national leaders in Africa.

So, the invasion of the Ogaden area was of deep concern to him because of that reason. We, of course, joined in with Obasanjo, the frontline presidents, and all others, to urge the Somalis to withdraw. I think that was his main preoccupation.

Our main concern there is the permanence of any Cuban or Soviet military forces in Ethiopia. He shares their concern. But I think the emphasis has been different.

We have a difference in approach to South Africa. I think he would be much more aggressive in total embargo against South Africa. We feel that the interest of southern Africa is best served by the policy that we are now pursuing.

Q. Did he understand the difficulty of your position there?

THE PRESIDENT. Well, as I say, I don't think we have any disagreement. I understand his position; he understands mine. We understand that we looked at it from a different perspective, but we honor each other's differences. There's no dispute between us.

He realizes that we had an arms embargo against South Africa before the United Nations acted to impose a worldwide embargo on arms shipments to South Africa.

Q. What did you sense his feelings are on a price increase in OPEC?

THE PRESIDENT. It's obvious that both Nigeria and Venezuela prefer a price increase.

PRESS SECRETARY POWELL. We've only got about an hour to get this wrapped up. It is about 1 hour.

Q. I thought in your speech that you were hinting on stronger action on South Africa if they continued the policy of apartheid.

THE PRESIDENT. Well, we are approaching a time of testing of the South African Government's position on Namibia. We don't have a final and definitive answer from them on the United Nations proposal, which we and the other four Western powers on the Security Council are putting forward.

I think if South Africa should reject a reasonable proposal and move unilaterally on Namibia, it would be a serious indication of their unwillingness to comply with the legal position of the United Nations and the rest of the world. This would be one thing that can precipitate a more serious difference between us and South Africa.

MR. POWELL. Thank you all.

REPORTER. Thank you.

NOTE: The briefing began shortly after Air Force One had departed Murtala Muhammed Airport in Lagos.

## Monrovia, Liberia

*Remarks of President Carter and President William R. Tolbert, Jr., at the Welcoming Ceremony. April 3, 1978*

PRESIDENT TOLBERT. *Mr. President, Mrs. Carter, Amy, distinguished ladies and gentlemen, friends:*

Just over 30 years ago, Mr. President, on January 27, 1943, another American

President transited this land in connection with the victorious Allied effort of World War II.

Liberia's President Edwin James Barclay received President Franklin Delano Roosevelt at that time on an asphalt airstrip of 7,000 feet. In the intervening years, United States-Liberia cooperation has here afforded one of the most modern and expanding civil aviation facilities in West Africa, spanning a reinforced 11,000 feet.

And today, we are deeply honored to pay homage to America's first third-century President who has come in the larger pursuit of permanent peace, of human rights, and of economic justice in our one world; who has come in furtherance of continuing friendship and closer cooperation between the United States of America and the Republic of Liberia.

Standing here beneath the sunny expanse of Africa's skies, we most heartily salute you, Mr. President, Mrs. Carter, Amy, and members of your suite, and with intense warmth, embracingly welcome you on behalf of Mrs. Tolbert, our family, the Government and people of Liberia, to this land of love and liberty by God's command.

Mr. President, by your sincere leadership you are restoring to a weary world, particularly in the troubled Middle East and in Africa, refreshing new hopes of enterprise and prosperity, of liberty and morality.

By your profound example, mankind is beginning to feel again, as Thomas Paine once articulated, I quote, "the power of America to create a happy world," and may I add, free from human oppression, free from human distinction.

By your vision and love, peoples and nations can once more rejoice that the United States still cares, that its actions resound of lasting verities.

Upon this continent where the majority of least developed countries can be found, nature's fury often fuels unyielding economic frustrations upon its people. On this continent where persist heinous repression and racism, hatred and injustice, human beings appealingly demand justice against human cruelty, against brutal violence, and against human indignity.

On this continent of contemporary intrigue and intransigence, bloody assassinations and fratricidal conflicts, armed proxy interventions and potential big-power confrontations tend to postpone freedom and justice and the enjoyment of human rights. These further imperil the solemn pursuit of international peace and security.

In Africa, yea the world, we can sense through your dynamic moral leadership fresh evidences of positive change. This new momentum to enhance mankind was manifested again by your outstanding foreign policy address on Africa, recently delivered in Lagos, Nigeria, for which we heartily commend you. And we earnestly hope that all conditions, both political and economic, which contribute to permanent global reconciliation and lasting partnerships can be sturdily established in the coming years.

In 1943, Liberia stood with America, Mr. President, an unswerving friend and selfless ally, a developing democracy. We are confident today that with closer cooperation and more fulfilling creative United States policies and programs, Liberia can become a more brilliant star of democratic ideals in Africa, a more convincing showpiece of humanistic capitalism and progressive development.

Offering once more our hands in hearty welcome to you, Mr. President, Mrs. Carter, and your entourage, we affirm and pledge our best efforts with you in the global campaign of extending the fron-



tiers of human liberty and advancing the principles of genuine peace and stability.

We will remain one with you, Mr. President, in surmounting the tyranny of energy and in healing the injuries of economic uncertainties.

Ever steadfastly, we pledge our total resources with you in securing the victory we courageously seek over inequity and injustice, over ignorance, disease, and poverty, to the lasting benefit of our children's children and even endless future generations, throughout this our one world.

May Almighty God bless our endeavors and hasteningly bring peace to mankind everywhere.

PRESIDENT CARTER. *President Tolbert, distinguished officials of the Liberian Government, members of the diplomatic corps, and America's valued and dear friends, the people of Liberia:*

I am very happy to be here in Liberia, a country which is one of America's oldest friends, and to arrive at this historic airfield. During the Second World War, as President Tolbert has described, when it was known simply as Roberts Field, it was a vital link in the supply line to Europe and to North Africa in our common fight for freedom.

Now, reborn as Roberts International Airport, with a new terminal recently opened, it symbolizes the pride, the achievements, and the great potential of your nation.

Liberia was born out of mankind's eternal desire for freedom, and you have achieved it here. The free black people who came from America to this beautiful coastline in the 19th century were determined to build a society which reflected the dignity in their souls and their hope in their hearts. They joined here in Liberia with others who longed for a better life. These two streams united to

form the first independent republic in Africa.

During the past century of colonialism, your independence was preserved. And now you can look back with pride on 130 years of uninterrupted independence and freedom, which gives Liberia a respected senior status among the nations of this continent.

Franklin Roosevelt did stop here at the airport in 1943 to meet with President Barclay, but this is the first official state visit of an American President, and it is long overdue. The bonds between our two countries are too strong for such a long period ever to elapse again.

We have been very grateful that you have added to the pleasure and the honor I feel in arriving here by declaring today a national holiday. It's a national holiday in my heart, as well.

Our friendly relationship is of great mutual advantage and exists on many levels—in the intertwining of our histories, in the democratic tradition established in our own Constitutions, and in the similarity in our forms of government. It exists in education, in trade, and religion. It was perhaps most meaningful in what President Tolbert has called the "war against ignorance, disease, and poverty."

The American people are proud to join Liberians in this effort through bilateral relationships between our two countries and in multilateral programs involving many countries. Our two Governments agree that these should be directed toward improving the basic conditions of life for those who most need help.

In coming to Liberia, I am reaffirming a friendship that is very old, but I am also drawing to a close a series of visits that reflect a world that is new. Less than three decades from now, four-fifths of all the world's people will live in Africa, Asia, and Latin America—in the sorts of de-

veloping nations that I have visited this year.

Only three decades ago, many nations of these continents were largely colonies of foreign powers. Their rise to independence means a world in which we must treat each other as equals. And one of the purposes of these trips has been to demonstrate the genuine respect my Nation feels for its partners around the world and our opposition to the continuation or reestablishment of colonialism in any form whatsoever.

The world economy has changed, bringing the hope of economic improvement and justice to millions and making each of us far more dependent than ever before on the cooperation of our neighbors.

If we create a world economy of fairness and growth, our mutual well-being will be ensured. If we are shortsighted and let inequality, selfishness, and injustice persist, all of us will suffer.

Even the ideas that motivate mankind have been changing. The traditional rivalry between East and West continues, even as we try to reduce the competition and expand the areas of potential cooperation.

But other visions, those of national identity, of self-determination, of racial equality, of the individual rights of all human beings, rise more and more to dominate the human horizon.

It is indeed a new world, and I would like to reemphasize briefly the three themes that dominate our vision of this new age.

The first is economic justice, both among the nations of the world and for those within each nation who now lack the material requirements for a decent life.

Economic justice imposes a special obligation on nations like my own, which have resources to share with the rest of the world. This is a responsibility we intend to honor. But sustaining the world

economy is ultimately a shared responsibility in which every nation must do its part.

The second element is a respect for human rights—the right to be treated properly by one's own government, to be able to participate in the decisions that affect one's own life, to have the basic human requirements of food, shelter, health, and education.

If there is any development that has heartened me in my time as President, it is the extent to which the cause of human rights has taken its rightful place on the agenda and in the conscience of the world. This is a cause that the United States and Liberia are proud to claim as our birthright. But we know that it is now spreading, not because of our efforts but because the times demand it.

The third element on which all our other hopes eventually depend is a search for peace.

My Nation has now, as it has had for the last 30 years, a responsibility to work constantly for peace with its powerful rivals. But in this new age, the search for peace leads in other directions as well. It means relying on mutual conciliation, negotiation, discussion of even the most intractable and difficult international issues.

In this area your own President Tolbert's philosophy of conciliation and moderation has been an outstanding example. It marks him as a man with a profound understanding of human nature and a firm commitment to preventing potential conflicts through wise and just agreements.

We share with you a commitment to an Africa that is at peace, an Africa free from colonialism, an Africa free from racism, an Africa free from military interference by outside nations, and an Africa free from the inevitable conflicts that arise when the integrity of national boundaries is not respected.

And the search for peace means anticipating changes that must inevitably come, such as those in southern Africa, so that they can come peacefully, rather than with their pent-up tensions erupting into violence.

These are the goals America is pursuing, and I am looking forward to discussing them with one of Africa's leading statesmen, your own President Tolbert.

His idealism, his determination, and his energy have won widespread admiration in Africa, in America, and around the world. His recent statesman-like sponsorship of the reconciliation summit gathering of West African heads of state, here in Monrovia, has helped to inaugurate a new era of cooperation among these nations for the good of all.

Next year he will be hosting, and will become a major leader of, the Organization of African Unity here in Monrovia. He has worked tirelessly for national self-determination, racial justice, and a better life for all the people of the African Continent.

As we go now together to Monrovia, we will in a sense close the circle that has opened between our people more than a century and half ago.

On behalf of the people of the great Nation of the United States, I would like to say to the people of the great nation of Liberia, this is a journey which is a privilege for me to make.

Thank you very much.

NOTE: The exchange began at 11:35 a.m. at Roberts International Airport.

## Monrovia, Liberia

*Toasts at the Working Luncheon.*  
*April 3, 1978*

PRESIDENT TOLBERT. Mr. President, we deeply share your benign concern for the

human family—that its members should not be disgraced by racism, oppression, and repression—from mutual understanding and respect for our fundamental pedestals to the attainment of permanent peace. But in southern Africa, evidences lead one to conclude that the ugly cranium of apartheid is intent on the course of dangerous self-perpetuation. And the scenario of its mischievous maneuvers is protracted, unproductive talks, brutal murders and assassinations, resulting in almost irreparable chaotic upheavals and deep internal divisions.

The heinous hammer of repression must be stayed in all nations of the world, of whatever description. Indeed, Mr. President, in southern Africa, where racial bigotry and minority rule defy and deny human dignity and basic freedoms, the conscience of mankind is being terrorized into desperation.

In this, we would urge a positive American policy of creativity which would inhibit, rather than prevent or bewail, the occurrences of external subversion and armed intervention, particularly between proxies of the super powers.

World opposition to apartheid must be more resolute and positive. Full and legal transition to majority rule and multi-racial accords must follow from more consistent, speedy, and dynamic initiatives.

We deeply share your concern for the well-being of civilization as a whole, that it should not mercilessly fall beneath the increasing burden of destructive weaponry and economic exploitation, but rise to lift the heavy loads of development, for the armaments of peace are at once the premise of progress and widespread productivity.

We would welcome a more positive approach to the implementation of deferred decisions regarding improved trade and aid among nations, at better terms and a more valuable composition, at new levels

and rewarding benefits.

The gulf between privilege and deprivation can be narrowed in Third World countries as industrial capacities are established, as rural, traditional agriculture is transformed by modern metals.

Beyond the periscope of infamy in southern Africa lies the periphery of fertile, potential, and productive cooperation across this continent.

There is the persistent realization that Africa can benefit tremendously by significantly closer cooperation and greater economic aid.

In this connection, we would urgently suggest a policy of concentration and impact in an area like rural agriculture, particularly in labor-scarce economy. Perhaps one commodity or a few commodities could be selected for productive transformation and be made the objective of intensive capital and managerial assistance; channeled through a corporate entity, will spread effects to a constellation of small farmers.

This may alter what moves in trade, but it could change the living of millions through the exchange of more capital goods as well as technical assistance. And it could thoroughly magnetize other countries towards the fruit of peace and productivity, towards material necessities and spiritual indispensables.

Let us see the challenge not so of controversy, but let us fulfill in Africa the challenge of humanity and the promise of developing democracy, to ship them and to make them vibrant examples of international peace, human rights, and economic justice.

Mr. President, in over 130 years of Liberia's independence, you are the first United States President ever to visit our capital city of Monrovia, named for another American leader, President James Monroe. And we sincerely wish that you

will be first to return and abide with us for a much longer period.

Mr. President, you have called for close cooperation among the rural, industrial democracies of the world. Mindful of Liberia's intractable commitment to the community of the free, we are gratified that you, in the spirit of interdependence, are fostering by this visit strong cooperation between the powerful nations of the First World and the small democracies of the Third World.

Mr. President, we consider this visit an all too brief one. Albeit, it brightens the horizon of our hopes that the flower of more sublime friendship, greater cooperation, and development will emerge from the seeds we sow today.

We'll be content when there is more in Africa, the real spirit and meaning of United States-Liberia unique and special ties. We'll be truly satisfied in mutual, enthusiastic endeavors to make our example of democracy in Africa a clear, magnetic, and convincing one.

Mr. Secretary of State, Dr. Brzezinski, visiting guests, officials of government, friends: May I ask you to rise and raise your glasses with me and drink lustily to the success and continued well-being of our great and good friend, the President of the United States of America, and to the ever-accelerating cooperation between the great United States of America and the Republic of Liberia.

To President Jimmy Carter.

PRESIDENT CARTER. *President Tolbert and distinguished leaders of the great country of Liberia, whose very name reminds us of the commitment that you have espoused through a century and a half and more, a commitment to individual human freedom and to the liberty of the human soul:*

As you know, my own Nation suffered during the time of the War Between The States as we struggled to achieve equality

of opportunity and freedom for all our people. And the example that you have set in Africa has indeed been inspirational not only to us in the United States but also to others in this continent who have seen the stability and the enlightened leadership provided from your great country.

I've also known and admired your President, President Tolbert, long before I became President of the United States, even before I became Governor of Georgia.

As a Baptist, he was recognized in religious circles as a preeminent person in our denomination. As president of the Baptist World Alliance, he again showed the commitment to equality of opportunity among all people. He was the first black man who ever honored Baptists by serving as our leader. And during that time when he was a religious leader, he was also Vice President of your country, and he combined the knowledge of his frequent travels throughout Liberia, to the most distant recesses of your country, with his travels around the world, to shape his own mind and his own heart toward better service for you and for his fellow men even to today.

I noticed the first sign as we rounded the corner coming from the airport taught us something in America. It said, "No joke, no imported rice in 1980." [Laughter] I'm going to take this message back to Dr. James Schlesinger in our country and have a slogan, "No joke, no imported oil in the future, because we're going to do a good job on energy." But I noticed that as we rode in, and he gave me a very instructive presentation of the problems and opportunities, the achievements and the challenges of your country, how much he knew intimately and personally about the needs of the average citizen in Liberia, who's not yet been blessed adequately.

The President tells me that he grows his own rice now, and he not only has enough for his own family but he shares it with his neighbors. And this spirit of self-sufficiency, even in the face of poverty in some parts of your country, is indeed again an inspiration to us.

I've had a chance to talk to him briefly about some of the other problems in Africa.

As black men struggle, black women struggle to achieve the right to shape their own lives, to choose their own government, to manage their own future—we've not reached this goal in your continent. And in Zimbabwe, in Namibia, in South Africa, we share a common hope of majority rule of freedom of expression of one's own will in shaping the family and the human life, and a freedom from racial discrimination, apartheid in all its heinous aspects.

I think that you all recognize, as a very close friend of the United States, that our intimate involvement in using our influence in Africa in a beneficial way has been a recent development. It's not an initiative of mine or other leaders of our country who came before me. I think it's a true expression of the growing interest that existed in the hearts and the minds of American citizens before Government leaders accurately represented what our people truly wanted.

The black citizens of the United States have reminded those of us who happen to be white of a need and the opportunities for us here. It's not been a matter of the United States doing a favor to the people of Africa. It's a matter of the United States acting in its own best interests, because we know, now and in the future, that our economic well-being, the political stability of the world, the peace that we all desire and cherish, can only come with a stable, free, and independent Africa and—as your President has just so

wisely said—free of interference of military or other nature from outside forces or from their proxies.

This is especially true today in Angola, in the Horn of Africa, where we want to see outside military forces and outside influence depart, because we are convinced, as are you, that the people of Africa are completely capable and have the desire to shape their own affairs and need no outside help, except in a mutual bargaining position related to economic development, better health care, better education, better housing, better food, better clothing for the people here.

I might add one other point. I think it's also true, if President Tolbert would forgive my saying so, that he is now beginning to enjoy a much more profound influence in the affairs of the continent of Africa. His leadership qualities are now being recognized by others. And with this vigor that is being shown here in Liberia, the beneficial influence of your societal structure and your deep commitment to the basic human rights values can be of additional help to other struggling nations not nearly so blessed as yours with the long history of commitment to freedom.

I think it was a superb exhibition of leadership recently when, under President Tolbert's leadership here in your capital of Monrovia, the leaders of almost enemy nations, ones who had not had a peaceful relationship with one another, were brought together, the West African nations, and left this meeting with a new public commitment to resolve their differences peacefully, and not in a spirit of animosity or distrust or hatred.

This was a superb demonstration of regional leadership. And if my information is correct, when the Organization of African Unity meets here next year, your leader will be blessed again and Africa will be blessed again with a new, addi-

tional assignment that will let the good influence of Liberia be felt and also recognized throughout this continent. We look forward to that bright prospect with a great deal of interest and appreciation.

I might say that the most memorable experience of a very fine trip for us was the overwhelming welcome of your people this morning.

In a nation with less than 2,000 total inhabitants, only about 20 percent of whom live here in the seacoast area, I was amazed at the number of people who came forward to express a welcome to us all. And my only question is, where did they all come from? And who was doing the work in Liberia today while all your people came to make us feel welcome? It was an overwhelming experience, and I could tell in the gestures that they made and in the friendship on their faces that they, like the people of the United States, recognize the historic warmth that has existed between our countries, the mutual advantage that comes from this strong friendship, and the prospect of an even stronger and deeper and brighter friendship in the months and the years ahead.

I would like to propose a toast at this time. On behalf of the people of the United States, I would like to propose a toast to your great leader, President Tolbert, and to the wonderful people of the great nation of Liberia.

NOTE: The exchange began at 2:15 p.m. in the Presidential Dining Room at the Executive Mansion.

## The President's Trip to Latin America and Africa

*Remarks on Arrival at the White House.  
April 3, 1978*

THE VICE PRESIDENT. Mr. President, if you'll pay attention here—[laughter]—

Mr. President, Rosalynn, Amy, we're delighted to welcome you home after a most successful journey to Latin America and to Africa.

Mr. President, this afternoon's papers featured a dramatic, front-page photograph of you, from Africa, with hand raised and four fingers extended. An interdepartmental task force was convened to determine what it meant. [Laughter] It returned with a split opinion. A few said that you were confirming the number of countries that you had visited, but most thought you were telling me to hold my remarks below 4 minutes, and I shall do so. [Laughter]

Mr. President, your trip to Venezuela, to Brazil, Nigeria, and Liberia underscored your desire to cooperate more closely with the newly influential countries of Latin America, Africa, and Asia. And certainly the marvelous demonstration of affection witnessed by all of us in Monrovia today showed their desire for that same friendship and cooperation with us.

On your trip you once again reemphasized the fundamental American values of human rights, of individual liberty, majority rule, and economic justice.

Mr. President, we are delighted by the success of your journey and pleased to welcome you home again with us. Welcome back.

THE PRESIDENT. Well, as the Vice President said, this has been a good trip. But it's been a long trip, and we're glad to be home.

I said when I left this spot last week that the trip was designed to show our own great Nation's adaptation to a changing world. And in that way it has been a great success, I think, for the United States.

In Venezuela we strengthened our good relationship which has existed for a long time with that country. And we worked

with Venezuela to develop a more cooperative approach for the future between the industrialized, developed nations like our own and the poor nations of the world.

In Brazil, one of our close allies over the years, we reestablished the understanding of the long-term, common interests and friendship between our people. And we stressed, perhaps in different ways, our mutual concern about nuclear nonproliferation and human rights.

In Nigeria, a great, new, emerging leader and the most populous nation in Africa, we brought our relationship to the best point ever and showed our essential agreement about the troubled spots in Africa.

And in Liberia, the oldest democracy in Africa and an ancient ally of ours, we reaffirmed a very special friendship for a nation that was founded in the name of freedom, as was our own country.

This trip and the one I made 3 months ago demonstrate our Nation's preparation for dealing with the world of the future. The countries that I have visited in Africa and Asia, in Latin America, in the Middle East will be more and more important to us with every passing year. We must be sure that we understand their interests and that they understand ours.

After seeing these nations firsthand, it's impossible to doubt that they can be very important to us and that our fate and the fate of the people in those countries are closely related and that the best way to guarantee our own well-being in a world of peace and prosperity, respect for individual human rights, is to cooperate in the well-being of these friends and neighbors of ours throughout the Earth. Every step we take toward more constructive engagement around the world is an investment in our own future.

And, most of all, I was proud as an American at the warmth of our reception. I think the day of the so-called ugly American is over. I never saw, among the hundreds of thousands of people who welcomed us, a single gesture or sign or poster or indication of anything except friendship. This is quite different from what it has been in the past. The friendly crowds that greeted us everywhere showed an affection for the United States, based not so much on our country's power or even our accomplishments but on what we stand for in the world.

At every stop in this journey I said to the people there that I was coming to greet a great nation, which was true. But nothing makes me prouder than the truly great Nation it is my privilege to represent.

Thank you very much. It's good to be home.

NOTE: The exchange began at 9:40 p.m. on the South Lawn of the White House.

## National Advisory Committee for Women

*Executive Order 12050. April 4, 1978*

### ESTABLISHING A NATIONAL ADVISORY COMMITTEE FOR WOMEN

By virtue of my authority as President of the United States of America, and in order to promote equality for women in the cultural, social, economic and political life of this Nation, it is hereby ordered as follows:

SECTION 1. *Establishment of a National Advisory Committee for Women.* There is established a National Advisory Committee for Women (hereafter the Committee).

SEC. 2. *Membership.* The President shall appoint not more than thirty individuals to serve on the Committee and shall designate one member to chair the Committee.

SEC. 3. *Responsibilities of the Committee.* (a) The Committee shall advise the President on a regular basis of initiatives needed to promote full equality for American women.

(b) The Committee shall assist in reviewing the applicability of such initiatives, including recommendations of the 1977 National Women's Conference, to particular programs and policies.

(c) The Committee shall promote the national observance of the United Nations Decade for Women, Equality, Development and Peace (1975-1985).

(d) The Committee shall gather and disseminate information relating to its responsibilities.

(e) The Committee shall consult regularly with the Interdepartmental Task Force established in Section 6.

SEC. 4. *Committee Procedures.* (a) The Committee may establish, within the limits of available funds, such working groups as may be necessary to fulfill its tasks. The membership of such groups may include persons not members of the Committee.

(b) The Committee shall establish such procedural regulations as are necessary to carry out its responsibilities.

(c) The Committee shall conclude its work by March 1, 1980, and shall make a final report to the President.

SEC. 5. *Assistance and Cooperation.* The Committee may request any agency of the Executive Branch of the government to furnish it with such information, advice, funds and services as may be useful for the fulfillment of the Committee's functions under this Order. Such agencies



are authorized, to the extent permitted by law, to honor the Committee's requests.

**SEC. 6. *Interdepartmental Task Force.*** The head of each agency within the Executive Branch shall designate persons responsible for reviewing the applicability of initiatives designed to promote full equality for American women, including recommendations of the 1977 National Women's Conference, to the agency's programs and policies. Persons so designated shall constitute the Interdepartmental Task Force, which shall consult regularly with the Committee. The President shall designate a person to chair the Task Force.

**SEC. 7. *Federal Advisory Committee Act Functions.*** Notwithstanding the provisions of any other Executive Order, the functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I) which are applicable to the Committee, except that of reporting annually to the Congress, shall be performed by the Secretary of Labor in accordance with guidelines and procedures established by the Administrator of General Services.

**SEC. 8. *Revocations.*** Executive Order No. 11126, as amended, and Executive Order No. 11832, as amended, are revoked.

JIMMY CARTER

The White House,  
April 4, 1978.

[Filed with the Office of the Federal Register,  
10:59 a.m., April 5, 1978]

## International Joint Commission— United States and Canada

***Nomination of Robert J. Sugarman To Be a  
U.S. Commissioner. April 4, 1978***

The President announced today that he will nominate Robert J. Sugarman, of

Philadelphia, to be a Commissioner on the part of the United States on the International Joint Commission—United States and Canada. He would replace Henry P. Smith III, who has resigned.

Sugarman was born May 29, 1938, in Meriden, Conn. He received an A.B. degree from Brown University in 1960. In 1961 he attended Stanford University, and in 1964 he received an LL.B. degree from Harvard Law School.

He served as law clerk to Honorable Abraham L. Freedman, U.S. Court of Appeals, from 1965 to 1966. From 1966 to the present, he has been a partner in the law firm of Dechert Price and Rhoads, in Philadelphia.

From 1970 to 1972, Sugarman was a lecturer on environmental law at the Free Law School of Philadelphia, and from 1975 to 1976, he was legal consultant to the National Water Quality Commission.

He has been a member of the board of directors and executive committee of the Public Law Center of Philadelphia since 1975, and since 1976 he has been a member of the board of directors of Community Legal Services, Inc. He is a member of the executive committee of the Philadelphia Council for Community Advancement and of the Transportation Action Group.

## Fair Housing Month, 1978

***Message of the President. April 4, 1978***

Discrimination in housing is forbidden by Title VIII of the 1968 Civil Rights Act, the National Fair Housing Law. Freedom in the choice of housing is a promise deeply rooted in American history and tradition.

Yet, today, ten years after passage of the National Fair Housing Law, many

Americans still experience discrimination when they attempt to purchase or rent or finance a home or apartment for themselves or their family. Some of us—whether through fear or prejudice or superstition or through plain selfishness—still attempt to limit the freedoms of other Americans.

Unless we can overcome these limitations, we will be unable to meet the challenges we face as a people. The denial of equal housing opportunity is a serious impediment to the cooperative, harmonious sense of community and brotherhood we need to meet our problems head on.

As we commemorate this tenth anniversary of the passage of the National Fair Housing Law, I call upon those in Federal, State and local government—and all who are directly involved in the housing industry and real estate profession—to intensify those efforts that promote fair housing. I hope this step will be followed by like-minded actions on the part of all Americans. The freedoms that we believe in, enjoy and benefit from cannot be secure unless they are shared by all Americans. As long as equal opportunity is denied to one person, the promise of equality for all will be unfulfilled.

During this April commemoration of Fair Housing Month, let us not just celebrate the passage of a benchmark law, but let us determine to put fully into practice the principles for which it stands. Let us make ourselves aware of the ways in which this law applies to us and to our communities. And let us earnestly examine both personal and professional attitudes that might be a barrier to equal opportunity for others. Nothing could be more important to the future of our society.

JIMMY CARTER

## Alloy Tool Steel Imports

*Proclamation 4559. April 5, 1978*

### MODIFICATION OF TEMPORARY QUANTITATIVE LIMITATIONS ON THE IMPORTATION INTO THE UNITED STATES OF CERTAIN ARTICLES OF ALLOY TOOL STEEL

*By the President of the United States of America*

#### A Proclamation

1. Proclamation No. 4445, of June 11, 1976, as modified by Proclamation No. 4477 of November 16, 1976, and Proclamation No. 4509 of June 15, 1977, imposed quantitative restrictions on the importation of certain articles of specialty steels. Section 203(h)(4) of the Trade Act of 1974 (the Trade Act) (19 U.S.C. 2253(h)(4)) permits the President to reduce or terminate any such relief if, after taking into account advice received from the United States International Trade Commission (USITC) and after seeking advice from the Secretaries of Commerce and Labor, the President determines that the reduction or termination is in the national interest.

2. I have sought and received advice from the USITC and from the Secretaries of Commerce and Labor concerning the effects of reducing or terminating import relief provided by Proclamation No. 4445, as modified by Proclamation No. 4477 and Proclamation No. 4509, on steel provided for in item 923.26 of the Tariff Schedules of the United States (TSUS). I have determined, after considering that advice, that the exclusion of certain steels provided for in item 923.26 of the TSUS, known as chipper knife steel and band saw steel, from such quantitative restrictions is in the national interest.

3. Accordingly, the purpose of this proclamation is to terminate in part Proclamation No. 4445 of June 11, 1976, as modified by Proclamation No. 4477 of November 16, 1976, and Proclamation No. 4509 of June 15, 1977, so as to exclude so-called chipper knife steel and band saw steel provided for in item 923.26, TSUS, from the present quantitative restrictions for the remainder of the restraint period which began on June 14, 1977 and the entire restraint period beginning on June 14, 1978, and to make an appropriate reduction in the quota quantities for item 923.26, TSUS, applicable to the European Economic Community and Sweden for the restraint period beginning June 14, 1978 to reflect the exclusion of so-called chipper knife steel and band saw steel. The authority for this action is set forth in section 203 (h) (4) (19 U.S.C. 2253(h)(4)), and section 125(b) (19 U.S.C. 2134(b)) of the Trade Act.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including sections 125 and 203 of the Trade Act (19 U.S.C. 2135 and 2253, respectively), do proclaim that—

A. Subpart A, part 2, of the Appendix to the TSUS (19 U.S.C. 1202) is modified as follows:

(1) by modifying headnote 2(a) (iii) to read as follows:

“(iii) The term ‘*alloy tool steel*’ in item 923.26 refers to alloy steel which contains the following combinations of elements in the quantity, by weight, respectively indicated:

not less than 1.0% carbon and over 11.0% chromium; or

not less than 0.3% carbon and 1.25% to 11.0% inclusive chromium; or

not less than 0.85% carbon and 1% to 1.8% inclusive manganese; or

0.9% to 1.2% inclusive chromium and 0.9% to 1.4% inclusive molybdenum; or

not less than 0.5% carbon and not less than 3.5% molybdenum; or

not less than 0.5% carbon and not less than 5.5% tungsten;

but does not include the three following types of alloy tool steel which contain, in addition to iron, each of the specified elements by weight in the amounts indicated:

(1) carbon: not less than 0.95 nor more than 1.13 percent; manganese: not less than 0.22 nor more than 0.48 percent; sulfur: none, or not more than 0.03 percent; phosphorus: none, or not more than 0.03 percent; silicon: not less than 0.18 nor more than 0.37 percent; chromium: not less than 1.25 nor more than 1.65 percent; nickel: none, or not more than 0.28 percent; copper: none, or not more than 0.38 percent; molybdenum: none, or not more than 0.09 percent; or

(2) carbon: not less than 0.48 nor more than 0.55 percent; manganese: not less than 0.20 nor more than 0.50 percent; silicon: not less than 0.75 nor more than 1.05 percent; chromium: not less than 7.25 nor more than 8.75 percent; molybdenum: not less than 1.25 nor more than 1.75 percent; tungsten: none, or not more than 1.75 percent; vanadium: not less than 0.20 nor more than 0.55 percent; or

(3) carbon: not less than 0.47 nor more than 0.53 percent; manganese: not less than 0.60 nor more than 0.90 percent; sulfur: none, or not more than 0.015 percent; phosphorus: none, or not more than 0.025 percent; silicon: not less than 0.10 nor more than 0.25 percent; chromium: not less than 0.90 nor more than 1.10 percent; nickel: not less than 0.50 nor more than 0.70 percent; molybdenum: not less than 0.90 nor more than 1.10 percent; vanadium: not less than 0.08 percent nor more than 0.15 percent;”

(2) by inserting “3,167” and “8,295” in lieu of the existing quota quantities applicable to the European Economic Community and Sweden, respectively, in the quota quantity column headed June 14, 1978, for item 923.26.

B. The modifications of subpart A of part 2 of the Appendix to the TSUS, made by this proclamation, shall be effective as to articles entered, or withdrawn from warehouse, for consumption on and after the second day following the date of publication of this proclamation in the FEDERAL REGISTER.

IN WITNESS WHEREOF, I have hereunto set my hand this fifth day of April,

in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
12:04 p.m., April 5, 1978]

## Joint Chiefs of Staff

***Nomination of Gen. David C. Jones To Be Chairman, Gen. Lew Allen, Jr., To Be Chief of Staff of the Air Force, and Adm. Thomas B. Hayward To Be Chief of Naval Operations. April 5, 1978***

The President today announced the nomination of Gen. David C. Jones, U.S. Air Force, as Chairman of the Joint Chiefs of Staff. General Jones would succeed Gen. George S. Brown, U.S. Air Force, whose second term in that office ends June 30, 1978. The Chairman of the Joint Chiefs of Staff serves at the pleasure of the President for a term of 2 years, and may be reappointed. He is the Nation's highest ranking military officer.

General Jones, since 1974, has been Chief of Staff of the United States Air Force and a member of the Joint Chiefs of Staff.

The President also announced two other nominations to the Joint Chiefs of Staff. To succeed General Jones as Chief of Staff of the United States Air Force, he nominated Gen. Lew Allen, Jr., U.S. Air Force. General Allen is currently serving as Vice Chief of Staff of the Air Force.

To be Chief of Naval Operations, the President nominated Adm. Thomas B. Hayward, U.S. Navy. Admiral Hayward at the present time is Commander in Chief, U.S. Pacific Fleet. Admiral Hayward will succeed Adm. James L. Holloway III.

The Chief of Staff of the Air Force and the Chief of Naval Operations each serve at the pleasure of the President for a term of 4 years.

Jones was born in Aberdeen, S. Dak., on July 9, 1921. He attended the University of North Dakota and Minot State College until the outbreak of World War II. He entered the Army Air Corps, beginning aviation cadet training in April 1942 and receiving his commission in February 1943.

Jones' assignments have included operational and command positions in bomber, tanker, training, and tactical fighter units, as well as service in staff positions in the Strategic Air Command and Headquarters U.S. Air Force. He was assigned to a bombardment squadron during the Korean War and accumulated more than 300 hours on missions over North Korea. In 1969 he served in Vietnam as Deputy Commander for Operations and then as Vice Commander of the 7th Air Force. He has also served as inspector, operator, planner, and Commander in Chief of United States Air Forces in Europe (USAFE). Concurrent with duty as Commander in Chief, USAFE, Jones was Commander of the 4th Allied Tactical Air Force. Since 1974 he has been Chief of Staff of the United States Air Force.

Allen was born September 30, 1925, in Miami, Fla. He graduated from the U.S. Military Academy, West Point, in 1946, with a B.S. degree and commission as a second lieutenant. He was assigned to Strategic Air Command from 1946 to 1950, and then received an M.S. (1952) and Ph. D. (1954) from the University of Illinois in physics.

From 1954 to 1957, he was assigned to Los Alamos Scientific Laboratory, where he served as a physicist. From 1957 to 1961, he was science advisor to the Physics Division of the Air Force Weapons

Laboratory, and from 1961 to 1965, he served in the Space Technology Office of the Director of Defense Research and Engineering. From 1965 to 1973, he was assigned to the Office of the Secretary of the Air Force, serving at the Directorate of Special Projects in Los Angeles and at the Pentagon. In 1973 he became Director, National Security Agency/Chief, Central Security Service at Fort Meade, Md. In August 1977 he became Commander of the Air Force Systems Command at Andrews Air Force Base. Since earlier this year he has been Vice Chief of Staff of the Air Force.

Hayward was born May 3, 1924, in Glendale, Calif. He entered the U.S. Naval Academy in 1943 and graduated in 1947 as an ensign. He has served as a pilot and as commanding officer of a fighter squadron. He has also served as Commanding Officer of the U.S.S. *Grafias* and the U.S.S. *American*. From 1970 to 1971, he was Commander of the Hawaiian Sea Frontier and Commandant of the 14th Naval District. From 1971 to 1973, he was Director of the Office of Program Appraisal in the Office of the Secretary of the Navy and from 1973 to 1975, he was Director of Navy Program Planning in the Office of the Chief of Naval Operations. From 1975 to 1976, he was Commander of the Seventh Fleet. Since 1976 he has been Commander in Chief of the U.S. Pacific Fleet.

## Communications Workers of America

*Remarks at a White House Reception.  
April 5, 1978*

First of all, let me say that I feel like I'm among friends and among partners. I've had this feeling ever since I have

been involved in politics. And I had it strengthened in 1975, when I was with you in San Diego at your convention. A lot of you were there. It was when I was lonely and searching for friends. And I reached out my hand and you took it, and you helped me in Florida and all the succeeding primaries. I won't forget Texas.

You helped me during the general election, and I particularly thank you, since I have been President and living in this house, that you've helped me even more as the leader of our country.

On behalf of myself and Rosalynn, our entire family, I want you to know that you're welcome, you're part of our family, and you belong here as much as we do. Thank you for coming this afternoon.

We also share something else. You were born in October; so was I. You were born 40 years ago. Well—[laughter]—well, we're not exactly the same on everything. But I know that this last year, because you are a part of our Nation which is enlightened and progressive and concerned about the essence of our country, you represent democratic principles in all their finest aspects. You are respected and trusted throughout the country in your own local communities as an organization, on Capitol Hill, and throughout places where decisions are made.

This is a great tribute to you. Last year, when I came into office in January, we had almost a 9 percent, over 8 percent unemployment rate. We had a 9, 10 percent inflation rate. With your help and with the help of the fine Democratic Congress on the Hill, we were able to put into law some very effective programs that were able to cut down unemployment much more than we had anticipated. We created a net of 4.1 million new jobs in the United States. It was a great achievement. You helped me with it. And I would not have been able to get this bill

through the Congress, the Congress would not have been able to pass it, without your help.

You also were effective in giving me the right to reorganize the structure of Government. And we are trying to do that now on a 3-year program that will be effective in helping all of you:

We were able to create a new Energy Department, to introduce energy legislation. You've worked hard at the progress we've made. We've got three out of our five major bills. We're on the verge of getting our fourth one. Following that will be the last one. This will do a great deal to strengthen our country's economy, to hold down the inflation rate, to restrict our unwarranted imports of oil, and although it doesn't affect your jobs directly, it affects you as American citizens and as human beings. And your constructive help has been a crucial element in the progress we've made already.

You've helped me with international affairs, in learning how we could reach out our hands to new friends around the world, to countries who in the past we had ignored and who will comprise in the coming years an extremely influential element in international matters that will affect the lives and the well-being of every single American. And your vision in stretching beyond this country even has been a very beneficial element of my administration.

You've helped me to get through the Senate the first of the two Panama Canal treaties. I need your help on the next one. I believe you and I together can prevail.

Now I particularly need your help to get other major legislative proposals through. One of the most important is labor law reform. We need it, we're going to get it. The House passed this legislation with your help, with over a hundred-vote

margin. It's not going to be easy in the Senate, we're going to have to work together, but I believe that together we can prevail again.

We also need to put into effect the tax reform package that we put forward to the Congress. We need a \$16½ billion tax reduction for the American citizens. You can certainly use it. All your neighbors can use it, and that's part of the package. We need to inspire business to expand to make available additional jobs. I personally have never seen why some of the privileges in the tax laws ought not to be eliminated. I see no reason for a telephone operator or a supervisor or a person who works with their hands to pay for a three-martini lunch for some bigshot business executive, \$50 a day—[*ap- plause*]. This has been part of our tax law too long, and I see no reason either for the tax privileges that have in the past encouraged American businesses to transfer American jobs overseas when we still need the jobs here in our own country. So I need your help with that.

The other thing I would like to mention specifically, and there are a lot of things that I could mention, is we're going to have to do something about inflation. We've had superb good fortune and great progress in cutting down on the unemployment rate. We're going to make some more progress this year.

We've already reached the point at the second month in this year that we had set as a goal for ourselves at the end of 1978. But the inflation rate is creeping up. And unless we all stand firm, cut out waste, have a sound economy, stabilize the dollar, have the energy package passed, cut out unnecessary spending, and hold down the budget deficit, we're going to all be robbed of the improvements we've made with your help this last year.

I would like to say one more thing to you. I've given you a lot of credit, which you deserve, but I think a major part of the credit that the Communication Workers of America has earned is because of the superb leadership of Glenn Watts.

As I said before, you are a progressive union, and he's a progressive leader. You are an enlightened union, and he's an enlightened leader. You are a union that's unselfish, that tries to get benefits for people in our country who are not members of your own organization, and that's the kind of man he is. You are an effective group, and he's an effective leader. You are American citizens who represent the finest aspect of what our country has been, is, and can be to an even greater degree in the future, and he accurately represents that in his own leadership role. He's a kind man, a gentleman, an effective man, and a tough negotiator, as you know, and a good, competent friend to have.

It's with a great deal of honor that I stand here on this small podium with one of my best personal friends who had confidence in me very early, who sets high demands on my own performance of duty as President, who's never satisfied with mediocrity or halfway reaching of very high goals. I look on him as a counselor, as a constructive critic, as someone who supports me when I'm right, and is not afraid to criticize me when I'm wrong. And he is valuable to you; he's valuable to me; he's valuable to our country. So, together you represent the kind of friends and partners I need, I like, and I appreciate from the bottom of my heart.

NOTE: The President spoke at 4:30 p.m. in the East Room at the White House.

## Appalachian Regional Commission

*Nomination of William E. Albers To Be Alternate Federal Cochairman. April 5, 1978*

The President today announced that he will nominate William E. Albers, of Washington, D.C., to be Alternate Federal Cochairman of the Appalachian Regional Commission. He would replace George Siebels, resigned.

Albers was born August 3, 1943. He received a B.S. from Southeast Missouri State University in 1967. From 1967 to 1969, he was a systems analyst for the Defense Nuclear Support Agency of the Defense Department, and from 1969 to 1971, he was a senior staff member, performing management consulting activities for Brandon Applied Systems, Inc.

From 1971 to 1972, and again in 1974 and 1975, he served as Management Programs Officer for the U.S. Bureau of Prisons. In 1972 and 1973, he was a self-employed consultant, providing management and organizational consulting services. In 1973 and 1974, he worked for the Justice Department's Office of Criminal Justice, working on development of a long-range planning capability for the Department.

In 1976 Albers was a national fundraising director for the Carter campaign and then worked for the Transition Talent Inventory Program. In 1977 he was a consultant to the Law Enforcement Assistance Administration. From September 1977 to March 1978, he was a consultant to ACTION, working on a new program for the Agency in the area of criminal justice. He is currently a consultant to the Appalachian Regional Commission.

## Interview With the President

*Remarks in an Interview for "Black Perspective on the News." April 5, 1978*

REGINALD BRYANT. Mr. President, I would like to thank you for joining us on Black Perspective. I would like to introduce to you the gentlemen who will be joining me in asking the questions.

First, from Philadelphia, the associate editor and the columnist for the Philadelphia Evening Sunday Bulletin, Mr. Claude Lewis. And a gentleman who was indeed with us the last time we spoke, from the Chicago Tribune, their columnist, Mr. Vernon Jarrett.

I should like to say, too, that we are a living example of perhaps a campaign promise that you were able to keep. Since the last time we spoke, the proposition was that if you became President, you would make an attempt to be with us. Here you are, and here we are.

### PRESIDENT'S TRIP TO AFRICA

I should like to start the questioning, Mr. President, by asking you with regard to the African, South American tour that you just took, what impact you really think that your visit will have had. There has been some speculation that one of the reasons, for example, for going to Nigeria was because of the importance they represent with regard to oil imports in this country and with regard to the relationships of African problems of human rights and our own. What sense do you have of that?

THE PRESIDENT. Let me say, first of all, that I'm glad to be on the program again. This is my third opportunity to appear on the Black Perspective and News. I understand I'm the first President who's been interviewed by a black panel. And I think it's very appropriate that, in a rapidly changing world, with an increasing interest on the part of our own coun-

try in the predominantly black nations of Africa, that this be possible, in addition to the domestic considerations that also make it a very important opportunity for me.

I went to Nigeria not because of the oil situation at all. I think you know that Nigeria is by far the largest nation in Africa in population, with between 85 and 100 million people. Also, it's an increasing important nation as far as its influence on political affairs, economic affairs in the western coast, and in fact throughout Africa.

Two or three years ago we had practically no relationship with the black African nations, in fact had a very unfavorable relationship with Nigeria. I think that when Secretary Kissinger, under the previous administration, wanted to visit Nigeria, they refused to let him come into the country for a visit.

The reception this time was superb. There was a genuine demonstration of friendship, welcome, a sense of partnership between Nigeria and the United States, a recognition that our country now is not only deeply involved in the African Continent in a beneficial way but that we have espoused policies that found approval in Nigeria and among the front-line presidents, and that our approach to the possible resolution of the differences in Zimbabwe and Namibia are quite acceptable to those who live in the southern part of Africa who happen to be black.

So, I think the economics, politics of my visit were beneficial to our country.

As I pointed out during the visit, by the end of this century, 80 percent of all the people who live on Earth will live in Latin America, Africa, and Asia. That's less than 20 years. And we want to be sure that our friendships are solid, that the policies that I put forward representing the American people are good ones, that they are based on close consultation and



advice from the African people, and that we espouse policies that accurately reflect the principles on which our Nation was founded.

I think this includes, obviously, peace in Africa. It involves genuine friendship and an equality of treatment, not as a dominant nation looking down on other countries—we need their help as much as they need ours—a hope that human rights in all its aspects, not only freedom from government domination and participation in government on their part but also an alleviation of hunger and an absence of education and job opportunities—food, clothing, health care might be alleviated. All these are good things.

#### NATIONAL URBAN POLICY

MR. BRYANT. Mr. President, we're going to come back to human rights too, but let Mr. Lewis—

MR. LEWIS. I wanted to bring you a little closer to home. Every President in our history, I think, has suggested programs that should work to save the cities in this country—Eisenhower, Kennedy, Johnson, Nixon, Ford.

THE PRESIDENT. I know.

MR. LEWIS. You are proposing \$8.3 billion for the cities. Why do you think your programs will work, and how are you going to get over the idea to the black community that you're really sincere? I think there's a lot of suspicion on the part of black people throughout this country about Presidential politics.

THE PRESIDENT. I can't say that we have a magic answer to the problems of urban America or poor America or black American citizens. I think there have been two or three differences. One is that this whole program was developed in close harmony with strong constituency groups, black leaders, mayors of the major cities—Maynard Jackson, Dick Hatcher, Ken Gibson, mayors like Coleman Young.

Also we've worked very closely with the mayor of Los Angeles, who just happened to be black; but also the white ones, as well. So, it's a program that is built up from the bottom, not just handed down from Washington, based on practical experience.

Secondly, it's a program that brought together all the departments of Government for the first time. We not only put forward some ideas on the increased spending, better programs, and so forth, but we reassessed and changed to some degree 150 different Federal programs that have been, in the past, designed to help the cities, but haven't been effective as they ought to have been.

We have built on direct programs that would help people in the cities who are poor. We have cut down the unemployment rate, as you know, about 1½ or almost 2 percent this past year. But we've also tried to triple purchasing from minority-owned businesses.

We've put into the laws that were passed last year—the Congress did—a mandatory requirement that 10 percent of the contracts be allotted to minority-owned businesses. We've exceeded those goals.

We've tried to increase, and have succeeded again, in increasing the deposit of Federal funds in black-owned banks up to more than \$100 million now. And we've exceeded our goal again.

We plan on setting up an urban bank which would give loans in special areas. We've advocated to the Congress under this program that tax incentives for employing difficult people to hire be rewarded and also prescribe investment credits on taxation for people who invest in the rundown urban centers.

So, I think the cohesion of the whole program, the fact that it was built from the ground up, that it modifies existing programs, it puts a lot of money in, and is targeted, are all new factors.

MR. LEWIS. Is there a mechanism to see that all these things are carried out? Many Presidents have made proposals, but they never reached the people that they were designed to help. Now that's the problem, and therein lies the suspicion, I think.

THE PRESIDENT. I know. Well, this program was put together not only with the mayors and Governors and the private sector leaders but with every Cabinet member who works with me. I was personally involved and approved every single program myself. And within the White House, Jack Watson, who coordinates among the Cabinet members on an everyday basis—and his responsibility is to work directly with the mayors and Governors of the Nation—will help to provide a White House influence now and in the future.

I've also called on the leading officials, both in the private and public sectors at all levels of government, to participate consistently and continuously in assessing how well the programs are administered.

So, I think these built-in factors in the program will help to ensure that if a program doesn't work, we'll know it doesn't and why; if a program does work, it's a kind of opportunity for improvement or enlargement that we can have in the future.

#### SUPPORT FROM BLACK AMERICANS

MR. JARRETT. Mr. President, may we address ourselves to the political arena for a moment? I was at the Urban League convention, when your friend Vernon Jordan attacked your administration, and I was also at the Congressional Black Caucus annual weekend, when you were also under sharp criticism. And I noticed that after each one of those attacks on you, you did come before black audiences, and some people said you scored a success. I want to ask you this: To just hazard a guess, do you believe that you have lost

much of the black support, that 94 percent of the black voter turnout that won you the election? Do you think you've lost any of that yourself, despite what the leaders may say?

THE PRESIDENT. I might say that the leaders to whom you referred, I think at this point, are very supportive of me and my administration, what it has done, and the programs we've put forward.

I look upon the Urban League, the NAACP, the black mayors and other public officials, the Congressional Black Caucus, as forums from which their leadership can and should criticize my administration and other leaders in our country when we don't deal adequately with the needs of black and other minority people in this country. I don't find any fault with that. I think they have a responsibility and a duty to point out deficiencies in my programs. And I'd listen very carefully.

There's never a public statement made by any one of those leaders that I described, and others, that doesn't get instant attention in the White House.

MR. JARRETT. Many have spoken about disappointments, the fact that maybe in 13 States the black vote did make the difference. Do you feel that if an election were held today, that you could still capture that 94 percent of the black vote?

THE PRESIDENT. Well, let me say two things: First, I don't take anything for granted, and I wouldn't take the black vote for granted. That would be the worst mistake I could make. Secondly, I've done my best to earn the continuing support of black people, and I don't think that in the examination of what we have done we are subject to legitimate criticism. We're trying to do even better. So my answer to you would be yes, but I don't take it for granted.

MR. BRYANT. Mr. President, it would seem that there may be an easy test for the extent to which black support still

accrues to you, because there are a number of congressional races that will be coming up, and certainly the South and the blacks therein will have some role in the election or the failure to be elected on a number of people.

It has been suggested that—and even in the context of my colleague's question—that while there may be money going into programs, there is not the recognition of the very disparate relationship that black people have to the economy.

For example, it's been said by some that inflation is the major problem in the country. And I would suggest here, without too much fear of being corrected, that black people don't think that; that it's unemployment and that it's the ability to be a part of the economic system, that there is, if you will, an economic apartheid; that, coupled with some loss of favor, some disillusionment among black people may possibly be evidenced. Are you taking a look at these congressional races, and do you think that is a barometer of where you stand, perhaps, with black America?

THE PRESIDENT. I think to a substantial degree the outcome of the congressional elections this year will be a measure of my administration's approval among the voters, yes.

We've made good progress in unemployment. We've more than reached our goal in 1977 for reducing unemployment, even though nobody thought we would. And even in 1978 in the first couple of months the unemployment rate has continued to go down. It's just a little above 6 percent now.

MR. BRYANT. Excuse me. That is with regard to nonblack unemployment, which was higher to begin with. So a reduction of 1 percent is—puts it at 11.

THE PRESIDENT. I understand that. The unemployment rate among blacks has also dropped about 1½ percent, but it started out so high that it hadn't felt as

good a percentage benefit as the whites.

I might say this: Our public service job program, which has been increased 150 percent, is heavily oriented to the more disadvantaged person. And in our CETA programs now we're getting much more toward the employment of minority citizens, who were ignored in the past.

Also, I think it's obvious that when you reduce the unemployment rate overall in the country, then the special government programs that are designed to help the private sector can be focused more and more specifically on those who are the first to be fired and the last to be hired in the private sector, which is quite often the minority citizens.

So, I think although we have made some progress so far, we have still got a long way to go. And with the lower unemployment rate now, we can focus our attention much more on the black citizens, particularly young black citizens who are heavily affected adversely.

MR. BRYANT. Does your administration acknowledge an unfavorable distribution of the wealth in this country?

THE PRESIDENT. Yes, I do.

#### VIEWS ON THE PRESIDENCY

MR. LEWIS. Mr. President, even if all of your judgments have been right up to now, how can a President be effective when he lives around and among so much alienation, such as the blacks, the farmers, the Jews, the intellectuals, labor? I mean, all of these groups seem to be unhappy with President Carter's policies. How can you be effective if you lose this kind of broad-based support?

THE PRESIDENT. I think this has probably been the case with all previous Presidents. At least in my lifetime it has. I just finished reading a new biography of President Truman, you know, written by Robert Donovan. And compared to Truman's problems, my administration has

been a gravy train so far. [Laughter] He really had tough problems and severe criticisms. His popularity dropped down to less than 23 percent.

Well, you know, I think any President is a focal point for criticism, and legitimately so. I'm the leader of the Nation. I don't try to put the responsibilities off on someone else.

I think another thing that cuts both ways is that when I came into office, a lot was expected of me. You know, had Nixon or Ford done as much as we have done already, it would have been a tremendous beneficial and appreciative reaction to it. But since people expected so much from a new Democratic President after 8 years, that when we have done good things, legitimately, people expect even more. And I think that this is part of being President. I don't deplore it.

I don't want to rest on my laurels. I don't want to spend my time the next 3 years of my administration bragging about what we have done. I want to spend the next 3 years saying, "How can we do better?" and listen very carefully to somebody that criticizes me and say, "Are they right? Is this program working or not?" I think that's a better attitude to have. I don't feel badly about that.

#### REVERSE DISCRIMINATION

MR. LEWIS. I think there's a growing feeling among certain segments of whites across this country that blacks are getting too much. I wonder, do you feel that there's discrimination against white people and how——

THE PRESIDENT. No, I do not. I think the position that we took in the *Bakke* case, I think the position that we've taken in orienting Federal procurement programs, contracts for public works, public service job programs, the reorganization that's coming forward in the equal employment opportunity area in Govern-

ment, is going to be of great benefit to blacks and other minority groups in the future. And I don't think that we've done too much at all.

When you look at the statistics, although we have made progress, as I pointed out before, we still have a very embarrassing disparity in income, job opportunities, unemployment rates, focused with its adverse effects among the minority citizens.

MR. LEWIS. Mr. President, just a followup: Mayor Rizzo of Philadelphia has threatened to launch a white effort, an ethnic effort, bringing white people together because black people are getting too much. What do you think the effect of that is going to be on America?

THE PRESIDENT. I don't think there will be any effect on America.

MR. LEWIS. You don't think that will——

THE PRESIDENT. No, I don't think so. Most Americans, particularly myself as a southerner, can still see the very difficult circumstances under which minority families live on the average—there are obvious exceptions both ways—because of past legal discrimination, plus the illegal discrimination that still exists in some areas. That's why, under civil service reform, under equal employment opportunity program reform, we're trying to root out those last vestiges of discrimination in government and set a pattern for the private sector.

This morning I had a meeting with a man who will head up the National Alliance of Businesses to provide jobs for particularly disadvantaged people in the private sector, completely removed from government, in addition to what we are doing in government.

I think we have a long way to go to repair the damage that has been done in the past by discrimination.

## HUMPHREY-HAWKINS BILL

MR. JARRETT. Mr. President, there's not a single black leader in this country, however low on the totempole that he or she may be, who does not show a profound concern about the Humphrey-Hawkins bill.

THE PRESIDENT. Yes.

MR. JARRETT. We know that you had some reservations about it even when you were campaigning for the Presidency. Are you at this moment willing to call together the leaders of the Democratic Party to launch a massive assault on unemployment through Humphrey-Hawkins? Or is this something that you've had to just almost back into through the different amendments that have come up? Is there going to be a real serious campaign from your office to get that bill passed?

THE PRESIDENT. Yes. We're completely committed to Humphrey-Hawkins. And I think, as you know, that was a proposal that had been in the Congress for years. It had been sitting around having a great difficulty getting out of committee, getting on the floor for a vote, because of the absence of support in the past from the White House.

When I got in office, it had support from the White House. We worked with Senator Humphrey before his death, with Gus Hawkins in the House, my own domestic staff did. And we put together a proposal that we can support enthusiastically, which we are supporting enthusiastically, which the Democratic leadership in the House has supported enthusiastically, which can pass the Congress and which can be implemented. And I think we've removed all those aggravations that were brought about by delay and are moving expeditiously.

My prediction is the Humphrey-Hawkins bill will pass this year.

## ADMINISTRATION PROGRAMS

MR. BRYANT. Mr. President, it seems that some of the things that have been mentioned so far that have led to some dissatisfaction or at least disappointment with the administration thus far, to which you have responded that, of course, it's difficult. And even though you've made some strides comparably to the Republican administration, it doesn't seem like much. Is there anything that you're prepared to do that would dramatically—I hesitate to use the word “drastically,” but dramatically—show where your commitment and interests are?

We are 10 years away from the Kerner Commission report, which indicated we had an America that was divided, black and white, separate and unequal. And now we literally have a third member of that group, that is, the underclass, the permanently disadvantaged, irrevocably lost in poverty and economic strife.

Is there something that your administration can do that would perhaps even entail some political risk on your part, but that would dramatically show where Jimmy Carter and the Democratic administration is with regard to black people in America?

THE PRESIDENT. Well, I would really rather be measured by the actual achievements of my administration and not just on public relations stunts that might be dramatic, but not bring in any real dividends.

MR. BRYANT. I'm not suggesting a public relations stunt as much as something substantive and real that would get to the people at the bottom of this broad-based pyramid that we live in, that—

THE PRESIDENT. But when you start examining the results of our programs—better health care for young people under our CHAPS program; better housing under the newly revived Housing and

Urban Development Department—Pat Harris is the head of it—a drop in the unemployment rate among minority groups, which I think is going to be accelerated in the future in a very beneficial way; Federal Government deposits in black banks, contracts to black businesses, purchases from black suppliers; these kinds of things, plus the opening up of new job opportunities with the equal employment, civil service reforms—I would rather be measured on what we actually do as proven than to try some bold initiative that might just be a public relations stunt and not result in tangible benefits for black citizens.

And that's what I'm willing to be measured on. I think that in this fall election, many of the Members of Congress will have their performance assessed by black voters. I hope they will say, "What did you do that helped my people?" And I think that's the best measuring stick for it.

MR. BRYANT. The sense of my question comes out of the polarization declaration that the mayor of Philadelphia made, which indeed will appeal to some people, and there will be dramatic things happening in terms of the relationships possibly getting worse. That's the sense of why I asked the question.

THE PRESIDENT. I understand. I think there's one other point that ought to be emphasized that we've mentioned in the first few minutes of the program, and that is what has been America's change in attitude toward black Africa. I don't think anybody can deny that there's a tremendous new interest among all American citizens, black and white, in the peaceful and prosperous life that can exist in the southern part of Africa, with an end to apartheid, the end to discrimination, majority rule in those black nations, a good friendship, a sense of equality between white leaders, like myself, and the

black leaders, like those who live in Africa.

I think this is a new thrust that's not just initiated by me as a lonely public official, but which mirrors accurately what the American people have long wanted to do. I think that in itself is a very dramatic indication of our new interest in fairness and equality, not just in our own country but around the world.

#### U.S. FOREIGN RELATIONS

MR. JARRETT. There's also a fear that this new interest on the part of the United States, with or without you being in the Presidency, could have a negative effect too, in that the United States has a tradition of supporting the more conservative, in some instances outright reactionary regimes, as long as they were pro-United States, even though they were anti their own people.

THE PRESIDENT. Yes.

MR. JARRETT. Is the United States now going to judiciously make some decisions and not necessarily go out supporting some dictator who happens to love us and proclaim his anticommunism out loud, and then we will rally to him?

THE PRESIDENT. I really feel that this question has already been answered to a substantial degree by our new relationship, say, with Jamaica, our new relationship with Nigeria, our new relationship with the people who struggle for majority rights in Namibia, in South Africa, in Zimbabwe, by the new friendship that I have with people like Nyerere and like Obasanjo. These kinds of benefits have been coming to our country already in the short period of time of 15 months. And I think that the answer is, as I said before, this is not something that I do in isolation, but I think I accurately represent the new interests of the Congress and the people of the United States in dealing

with the developing nations of the world on a fair basis.

MR. JARRETT. It doesn't bother you too much that Nyerere is a Socialist, for an example?

THE PRESIDENT. No, it doesn't bother me. I think he's a nationalist. I think he's looking for what is best for his people in Tanzania. I think he's a very strong, dynamic leader on a worldwide basis, and he's a very valuable friend of ours.

#### HUMAN RIGHTS

MR. LEWIS. Many people feel that the President of the United States is more concerned about human rights outside of the United States and not enough concerned about human rights at home. What is your reaction to that?

THE PRESIDENT. I don't think that's an accurate assessment. I think that our whole international emphasis on human rights would be undercut and fruitless if we didn't set an example in our country of being very insistent that human rights be protected here. And also, it's important for us to acknowledge that we still have a long way to go in giving our people genuine human rights, not just political rights but also the right to, as I said earlier, to an education, to health care, to good housing, good clothing, good place to live.

So, I think that we've got to set an example in our country. Otherwise the other nations just won't pay any attention to us.

MR. JARRETT. Have you considered making a statement in support, for an example, of the Wilmington 10, even though that's a State judicial matter?

THE PRESIDENT. The only thing that I have been willing to do is to let our Attorney General investigate the circumstances under which the trial was held.

As you know, the Wilmington 10 are now going into the Federal Courts to

make an appeal. And I think it would not be appropriate for me to make a preliminary judgment from the executive branch of Government as to what the Federal judiciary ought to do. Justice, yes; interference in the specifics of the case, no.

MR. BRYANT. Gentlemen, I'm afraid that we're out of time. You've been President for a year and 4 months, and we've had 27 minutes to discuss that, which is clearly impossible. I hope that we'll perhaps have an opportunity to do this again at some reasonable time.

THE PRESIDENT. I hope so. You had some very tough and very good questions. I think we exposed a lot of the interests that I have in the report on my administration and in a very brief period of time, thanks to you.

MR. BRYANT. Thank you, Mr. President.

NOTE: The interview began at 2 p.m. in the Map Room at the White House. It was taped for later broadcast on the Public Broadcasting Service. Mr. Bryant is producer of "Black Perspective on the News."

The transcript of the interview was released on April 6.

## White House Conference on Small Business

*Letter to Senator Gaylord Nelson of Wisconsin Concerning the Conference.  
April 5, 1978*

*To Senator Gaylord Nelson:*

I have carefully reviewed your October 1976 memorandum recommending a White House Conference on Small Business, as well as the additional memorandum of last autumn. This material and our recent discussion have satisfied me that such a conference would be very constructive for the nation's 14 million small and independent businesses. Therefore, I

intend to call a White House Conference on Small Business, as suggested by Senate Resolution 105 which you authored.

I believe such a conference can help us identify the many special problems facing small business and design an agenda that addresses them in a constructive way. As you know, the 14 million small businesses represent a much larger part of our economy than is commonly recognized. They account for over 50% of all private employment, 43% of the gross national product and over half of all inventions.

You have been a leader in devising ways to help this important sector of our economy grow and prosper. Administrator Vernon Weaver of the Small Business Administration will be working closely with you in preparation for the White House Conference.

Sincerely,

JIMMY CARTER

NOTE: The text of the letter was released on April 6.

On the same day, Small Business Administrator A. Vernon Weaver, Jr., and Senator Nelson, chairman of the Senate Select Committee on Small Business, held a news conference in the Briefing Room at the White House on the week-long Conference, which will be held in the fall of 1979.

## Commission on Presidential Scholars

*Appointment of 26 Members. April 6, 1978*

The President today announced the appointment of 26 persons as members of the Commission on Presidential Scholars. The Commission each year selects Presidential Scholars from each State, as well as the District of Columbia, Puerto Rico, and American student overseas. The scholars are selected on the basis of outstanding scholarship and demonstrated leadership capabilities. Each scholar is presented with a medallion at a Rose Garden ceremony during the summer.

The 26 persons appointed to the Commission are:

- SAM F. ABRAM, assistant superintendent of secondary schools in Muncie, Ind.;
- MARI C. APONTE, associate counsel of Blue Cross of Greater Philadelphia and a former high school teacher in bilingual and regular programs;
- ELAINE BARBOUR, 1978 Teacher of the Year, who teaches sixth grade at Cole Creek Elementary School in Montrose, Colo.;
- NORMA C. BARKER, of Humboldt, Tenn., active in civic affairs and a former PTA president;
- CAROLYN M. BENNETT, a 1974 Presidential Scholar now attending Johns Hopkins University as a premedical student;
- JOAN F. BERMAN, chairperson of the economics department at Baret College, Lake Forest, Ill.;
- ARTHUR J. DECIO, chairman and chief executive officer of Skyline Corp. in Elkhart, Ind.;
- LINDA M. DONALDSON, employed by the Minnesota State Senate;
- RUTH P. FENTON, of Carmel, Calif., a member of the California Department of Education's State-Wide Advisory Committee on the Gifted;
- JOHN N. FOY, senior vice president of the financial services division and executive coordinator of Arlen Shopping Centers Co. in Chattanooga, Tenn.;
- JAMES J. GALLAGHER, director of the Graham Child Development Center and professor of education at the University of North Carolina;
- W. A. "NICK" GREENE, JR., vice president of Greene's Fine Foods in Augusta, Ga., and president of the Lynndale School and Training Center;
- F. RICHARD HSU, president of the China Institute in America in New York City, N.Y.;
- THOMAS H. HUDSON, a Louisiana State senator and Baton Rouge attorney;
- ABRAHAM M. LINDENBAUM, a New York attorney and former commissioner of the New York City Housing Authority and the New York City Planning Commission;
- FRANK J. MCGUIRE, basketball coach for the University of South Carolina;
- DON MITCHELL, an actor in television, motion pictures, and the theater, and a founder of the Watts Training Center;
- GERALD L. OVEL, president and owner of Iowa Pipe & Supply Co. in Cedar Rapids, Iowa;



WILLIAM L. PRESSLY, administrator of the Atlanta Historical Society and founding president of the Westminster Schools in Atlanta (also designated Chairman of the Commission);

ARTHUR H. PURCELL, director of Technical Information Project and adjunct associate professor of engineering at George Washington University;

MURRY SIDLIN, music director and conductor of the New Haven Symphony Orchestra;

CONSTANCE I. SLAUGHTER, an attorney in Forest, Miss., and instructor in the prelaw department at Tougaloo College;

JOHN M. STALNAKER, president emeritus and honorary director of the National Merit Scholarship Corporation;

MANUEL VASQUEZ, an attorney in Coral Gables, Fla., and adjunct professor of law at the University of Florida's Cuban-American Law Institute;

MICHAEL A. WEISS, a 1975 Presidential Scholar and a senior at Harvard University, majoring in biophysics;

YVONNE J. WYNDE, vice president and academic dean of Standing Rock Community College in Fort Yates, S.D.

## National Commission for Manpower Policy

*Appointment of Four Members. April 6, 1978*

The President today announced the appointment of four persons as members of the National Commission for Manpower Policy. They are:

GEORGE S. DILLON, 60, of Saddle River, N.J., chairman of the board of Airco, Inc.

ROY R. ESCARCEGA, 40, of Hacienda Heights, Calif., vice president of the Social Services Division of the East Los Angeles Community Union.

GERTRUDE G. MICHELSON, 52, of New York City, senior vice president for personnel, labor, and consumer relations for Macy's.

LESTER C. THUROW, 39, of Lincoln, Mass., professor of economics and management at Massachusetts Institute of Technology.

## United States Marine Corps

*Nomination of Colonel Margaret A. Brewer for the Rank of Brigadier General. April 6, 1978*

The President today announced that he will nominate Col. Margaret A. Brewer, U.S. Marine Corps, for appointment to the grade of brigadier general. If confirmed by the Senate, she will be the first woman general in the history of the Marine Corps and will hold the rank while serving as Director of the Division of Information, Headquarters Marine Corps.

Brewer was born November 19, 1930, in Durand, Mich. She received a B.A. in geography from the University of Michigan in 1952. She accepted appointment as a second lieutenant in the Marine Corps Reserve in 1952 and an appointment in the regular Marine Corps in 1956.

From 1956 to 1958, then-Captain Brewer served as commanding officer of the woman Marine companies at Norfolk, Va., then Camp Lejeune, N.C. In 1958 and 1959, she was a platoon commander for woman officer candidates at Quantico, Va., during summer training sessions, and for the balance of the time, a woman officer selection officer with headquarters in Lexington, Ky.

From 1959 to 1963, she was at Camp Pendleton, Calif., with the Commissioned Officers Mess (Open). In 1963 she returned to Quantico to serve as Executive Officer and later as Commanding Officer of the Woman Officer School. From 1966 to 1968, she was public affairs officer for the 6th Marine Corps District in Atlanta.

Brewer served as Deputy Director of Women Marines at Headquarters Marine Corps from 1968 to 1971. She was promoted to colonel in 1970. From 1971 to 1973, she was at Quantico, serving as special assistant to the Director, then

Chief of the Support Department, for the Marine Corps Education Center.

In 1973 Brewer became the seventh Director of Women Marines. Since 1977 she has been Deputy Director of Information at Marine Corps Headquarters.

## Age Discrimination in Employment Act Amendments of 1978

*Remarks on Signing H.R. 5383 Into Law.  
April 6, 1978*

THE PRESIDENT. This is a cool spring morning with a lot of smiles on faces in the Rose Garden, and I think it's a time for smiles and for congratulations to many of you who are assembled around me for this historic occasion.

In December of 1967, Lyndon Johnson, who was then President, signed the age discrimination in employment legislation. It's been the basis for decision in our country for the last 10 years.

When I campaigned around our Nation for President, it was obvious to me that many things needed to be done to give senior citizens an equal opportunity in life and to correct some of the remaining defects in the Federal law and administration that worked against the best interests of these valuable assets to our national scene.

The Congress has courageously, at some political cost, acted to ensure the basic integrity of the social security system, which a few months ago was in serious doubt, with bankruptcy facing two of the reserve funds on which retired people must depend.

We've moved to increase greatly, with congressional support, money for the Meals on Wheels program, which is very good. In the legislation that was passed

concerning social security, a permission was granted to retired people to earn more money and still draw their social security payments, legislation that I think was long overdue.

We've also proposed to the Congress legislation to control the unwarranted and very rapid increase in hospital costs, with the hospital cost containment bill. Many of the beneficial interest groups are helping with that legislation. It's difficult politically, but I think it's a necessary precursor to the passage of comprehensive national health insurance in the future.

I think all of you know that when we take any action here in Washington, senior citizens are quite often acutely affected. We are trying to hold down the inflation rate, which is a particular burden upon those who are retired, with a fixed income, quite often measured in so many dollars per year. And they're slowly robbed as the inflation rate goes up.

Energy legislation has been designed specifically to protect interests of senior citizens and those who live in the homes with a fixed income.

Today, thanks to the excellent work of men and women in the Congress—long before I became President, by the way—we are here to sign into law a new, important revision of the age discrimination in employment legislation.

Senator Pete Williams, Congressman Carl Perkins, Gus Hawkins, Paul Findley, Congressman Claude Pepper, and others who are assembled here around me have done notable work. This has not been easy legislation to pass. It was quite controversial. And I believe that the Congress, although the vote was overwhelming in the end, dealt very responsibly with this complicated subject.

I know during the campaign Senator Frank Church was one who repeatedly brought up the subject of the needs of senior citizens.

This legislation will remove any age limit on employment in the Federal Government. And we hope this will be a good example for the rest of the Nation to emulate. And it also extends the age of protection against discrimination from 65 up to 70 in the public sector, in the private sector. We are encouraging State and local governments to follow the lead of the Federal Government.

And we also have initiated two major studies to assess the impact of this legislation, perhaps leading to further revisions in the future.

Special needs have been accommodated, and I want to congratulate all those who are assembled behind me for their good work.

There's one person here who is not yet a Member of Congress, who might very well be in the future, who gave some sterling testimony in urging the passage of this legislation, and that's Kathryn Morse. She was Amy's age—10 years old—when she gave her testimony, which was very effective, all the Members of the Congress tell me. And she's now 11 years old, rapidly approaching the time of retirement—[laughter]—as am I and all of you.

I think her testimony vividly demonstrates that this legislation is not just beneficial to those who've already retired or who are already 65 years old, but it's beneficial to people my age and even to people who are the age of Kathryn and Amy.

It's a good step in the right direction, and I'm very proud now to sign into law House bill 5383, which provides fairness and equity in protecting our older citizens from discrimination in employment.

[At this point, the President signed the bill.]

I know that everybody would like to make a statement today, but I would like to call upon the man who arranged for me to meet with a special committee on

this legislation and who's been in the forefront in his public activities and who will soon reach the age where this legislation applies to, although he's immune in the Congress, and now in the Federal Government, and that's Senator Claude Pepper.

REPRESENTATIVE PEPPER. Thank you very much, Mr. President. This is a happy day for all of us, and we're sure it is for you because of your long commitment to the cause of the elderly.

We want to thank you and Mrs. Carter for all that you've done to bring about this happy event that we are celebrating here today. It's a day of elation for many millions of our fellow citizens, because when this bill becomes effective, they know that when Providence blesses them with their 65th birthday, it shall not be a death day for the end of their working life; they can continue to work and contribute to their country.

From the dedication that you have and so long cherished, and that of the Congress, as evidenced by its action in this matter, we know that the elderly of this country can look forward to more occasions when you and the Congress will recognize the needs of the elderly of this country and provide even more perfectly for their health and happiness, for their contributing to the growth and greatness of our country.

So, it's a happy day for the elderly. We thank you very much, Mr. President.

THE PRESIDENT. Claude Pepper, like my mother, is much younger than I am and seems to grow younger every day. [Laughter]

Senator Pete Williams, would you say a word?

SENATOR WILLIAMS. Thank you, Mr. President. It's another happy occasion here. We are making progress. Our Committee of Human Resources in the Senate,

Education and Labor in the House, we seem to be here at this desk and watching you sign so many measures into law that expand opportunities for a full life for people, protections where they need it. I want to thank you.

THE PRESIDENT. Thank you very much.

There's one other person on whom I want to call to make a statement, who has been a key factor in the successful passage of this legislation, that's Carl Perkins.

REPRESENTATIVE PERKINS. First, Mr. President, let me thank you for the active support that you have given to this legislation ever since you came to the White House. But for the support, the active support, of the President due to the Presidency and Senator Claude Pepper, I don't think we would have been here today.

This is a happy day for the elderly people in this country. We're all happy about the passage of this legislation, and I certainly want to thank you, Mr. President.

THE PRESIDENT. Thank you very much. Paul?

REPRESENTATIVE FINDLEY. Mr. President, Paul Findley of Illinois. In 1974 I introduced the first bill to outlaw mandatory retirement. There were then just three cosponsors. It's become a very popular idea, I'm glad to say.

I consider your signature on this legislation to be the most notable act to advance social justice in at least 10 years.

THE PRESIDENT. Thank you very much.

Well, I want to thank all of you for coming. I know that we had to restrain the participants this morning because of the capacity of the Rose Garden. But this is the kind of legislation that will have a direct impact on literally millions of Americans. And although it was a tough battle and a long battle to get it passed,

the people around me deserve a great deal of interest. And on behalf of the American people who are not here, I want to thank all of you.

Thank you very much.

NOTE: The President spoke at 10:17 a.m. at the ceremony in the Rose Garden at the White House.

As enacted, H.R. 5383 is Public Law 95-256, approved April 6.

## Farm Legislation

*Letter to Congressional Leaders Concerning the Administration's Position on H.R. 6782. April 6, 1978*

Sixteen months ago, I asked Bob Bergland to join with the Congress to help restore a sense of direction and purpose to the farm and food policies of this nation. The extreme volatility of farm and food prices of recent years has not been in the best interest of either our Nation's farmers or consumers.

When we took office, farm income was in sharp decline. We undertook to reverse this trend and return stability to the nation's farm economy. Working with you and other members of the Congress, we developed the most sweeping farm legislation of the past 40 years. Using the authorities of that law, we have moved to improve the incomes of America's farmers.

This policy is working. Our agricultural economy has improved markedly in recent months. To further strengthen this recovery, we announced last week:

- an expansion and liberalization of the farmer-held grain reserve.
- paid diversion of 7 to 9 million acres of excess cropland.

- and other steps which, in combination with the reserve and the acreage diversion, will add up to \$4 billion to crop producer income.

These are carefully considered measures. They will provide decent farm incomes, protect consumers from precipitous price rises, enhance our reliability as a major agricultural exporter, and allow us to meet our humanitarian food aid commitments.

Yesterday a conference committee of the Congress reported H.R. 6782, legislation that was hastily drafted in an atmosphere of emotion and confusion. Should that legislation reach my desk, it will be vetoed.

No one who understands our farm economy should be deceived about the impacts of this measure.

- It would increase food price inflation to double digit levels.
- It would add as much as \$6 billion to the Federal budget.
- By sharply reducing production and increasing prices, this bill could seriously undermine our competitive position in world markets.
- The higher feed prices that result would adversely affect our own livestock industry.
- It would require vast new layers of bureaucracy to administer the complicated and confusing schedule of eligibility requirements and payments.
- And, this bill would direct the vast majority of its benefits to a small number of the very largest of our farmers, rather than those in greatest need of help.

This Administration is committed to a strong and prosperous farm economy and one that is able to compete successfully in international markets. We now have a policy to accomplish this objective. I call upon you and other members of Congress

to join with me in supporting this policy and in defeating this conference committee bill.

NOTE: This is the text of identical letters addressed to Robert C. Byrd, Senate majority leader, Herman E. Talmadge, chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, Edmund S. Muskie, chairman of the Senate Budget Committee, Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Thomas S. Foley, chairman of the House Committee on Agriculture.

## Council on Wage and Price Stability

*Message to the Congress Transmitting a Report. April 7, 1978*

*To the Congress of the United States:*

In accordance with Section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the thirteenth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council's activities during the fourth quarter of 1977 in monitoring both prices and wages in the private sector and various Federal government activities that may lead to higher costs and prices without creating commensurate benefits. It discusses Council reports, analyses, and filings before Federal regulatory agencies.

In August 1977 I asked the Council to undertake an in-depth study of the Nation's steel industry. The study was released in October and served as an important information base in the Administration's development of its reference price system for imports of foreign steel.

During the fourth quarter, the Council also issued, among other things, reports on interest rates and inflation, the lumber industry, 1978 model year auto prices, and a detailed analysis of the communications workers' settlement.

The Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the government that could be of concern to American consumers.

JIMMY CARTER

The White House,  
April 7, 1978.

NOTE: The report is entitled "A Quarterly Report of the Council on Wage and Price Stability, With a Special Report on Inflation—April 1978, Executive Office of the President, Washington, D.C., No. 13" (Government Printing Office, 121 pages plus appendices).

## Enhanced Radiation Weapons

*Statement by the President. April 7, 1978*

I have decided to defer production of weapons with enhanced radiation effects. The ultimate decision regarding the incorporation of enhanced radiation features into our modernized battlefield weapons will be made later, and will be influenced by the degree to which the Soviet Union shows restraint in its conventional and nuclear arms programs and force deployments affecting the security of the United States and Western Europe.

Accordingly, I have ordered the Defense Department to proceed with the modernization of the Lance missile nuclear warhead and the 8-inch weapon system, leaving open the option of installing the enhanced radiation elements.

The United States is consulting with its partners in the North Atlantic Alliance on this decision and will continue to discuss with them appropriate arms control measures to be pursued with the Soviet Union.

We will continue to move ahead with our allies to modernize and strengthen

our military capabilities, both conventional and nuclear. We are determined to do whatever is necessary to assure our collective security and the forward defense of Europe.

## Federal Council on the Aging

*Nomination of Nine Members. April 7, 1978*

The President today announced the nomination of nine persons to be members of the Federal Council on the Aging. They are:

NELSON H. CRUIKSHANK, of Washington, D.C., currently Chairman of the Council, for reappointment;

FANNIE B. DORSEY, chairperson of the State Institute of Aging in Frankfort, Ky.;

HOBART C. JACKSON, Sr., founder and first chairman of the National Caucus on the Black Aged and executive vice president and director of the Stephen Smith Geriatric Center in Philadelphia (reappointment);

MARY A. MARSHALL, a member of the Virginia House of Delegates and chairman of the Legislative Study Commission on the Needs of Elderly Virginians;

WALTER L. MOFFETT, of Kamiah, Idaho, a Presbyterian minister and director of the Nez Perce Tribe Housing Authority;

BERNICE L. NEUGARTEN, a professor in the department of behavioral sciences and school of social service administration at the University of Chicago, past president of the Gerontological Society, and member of the governing board of the International Association of Gerontology;

JAMES T. SYKES, chairman of the Wisconsin Board on Aging;

FERNANDO M. TORRES-GIL, a lecturer at the Andrus Gerontology Center and department of sociology at the University of Southern California;

WESLEY C. UHLMAN, a Seattle attorney and former mayor of Seattle.

## Federal Home Loan Bank Board

***Nomination of Anita Miller To Be a Member. April 7, 1978***

The President today announced that he will nominate Anita Miller, of Ridgewood, N.J., to be a member of the Federal Home Loan Bank Board for a term expiring June 30, 1982.

Miller was born April 20, 1931, in New York. She attended the University of Michigan.

From 1959 to 1964, Miller was founder and first chairman of the Rhode Island Conference on Intergroup Relations and founder of the Women's Intergroup Committee. From 1964 to 1972, she was a staff consultant on social action and interreligious affairs for the Union of American Hebrew Congregations.

Since 1972 Miller has been senior program officer in the division of national affairs of the Ford Foundation. She is responsible for approximately 20 Foundation-sponsored programs in the field of housing, urban development, and neighborhood conservation.

## Agency for International Development

***Nomination of David Bronheim To Be an Assistant Administrator. April 7, 1978***

The President today announced that he will nominate David Bronheim, of Washington, D.C., to be an Assistant Administrator of the Agency for International Development (AID). He would replace Frederick Van Dyk, resigned, and his area of responsibility would be intragovernmental and international affairs.

Bronheim was born April 28, 1932. He received an A.B. from the University of

Michigan in 1953 and an LL.B. from Harvard Law School in 1956.

From 1958 to 1960, Bronheim did legal work for the World Bank in Washington. From 1960 to 1967, he was with AID, doing legal work and then serving as Deputy Coordinator for Latin America.

From 1968 to 1970, he was executive director of the Center for Inter-American Relations. From 1970 to 1976, he was vice president of the Dreyfus Corp., where he worked in the financial field with the Europeans and the Japanese. Since 1976 he has been with The Futures Group, a subsidiary of the Dreyfus Corp., as vice president and director, until January of this year, and currently as a consultant.

## Federal Election Commission

***Nomination of John W. McGarry and Samuel D. Zagoria To Be Members. April 7, 1978***

The President today announced that he will renominate John W. McGarry and Samuel D. Zagoria to be members of the Federal Election Commission for terms expiring April 30, 1983. McGarry and Zagoria were nominated during the last session of the Senate but were not confirmed before adjournment.

McGarry was born June 11, 1922, in Boston, Mass. He served in the U.S. Navy during World War II, and after the war graduated from Holy Cross College and earned a law degree at Georgetown Law Center.

From 1959 to 1963, McGarry served as assistant attorney general of Massachusetts. He then combined private law practice with service as chief counsel for the Special Committee to Investigate Campaign Expenditures, which was created as a temporary unit every 2 years until 1972 to oversee House elections.

Since 1973 McGarry has been special counsel on elections to the Committee on House Administration of the U.S. House of Representatives.

Zagoria was born April 9, 1919, in Somerville, N.J. He was a reporter and an editor for the Washington Post for 10 years and was a 1954 Nieman Fellow at Harvard University. He served for 10 years as administrative assistant to Senator Clifford Case of New Jersey.

Zagoria is a former member of the National Labor Relations Board. He is now director of the Labor-Management Relations Service, which is sponsored by the U.S. Conference of Mayors to provide leaders of local government with information and education on municipal labor-management relations.

## Energy Conservation Programs

*Message to the Congress Transmitting a Report. April 7, 1978*

*To the Congress of the United States:*

I am hereby transmitting the first annual report required to be submitted to the Congress by Section 381(c) of the Energy Policy and Conservation Act, Public Law 94-163, and required to be prepared by the Federal Energy Administration, now the Department of Energy, with the assistance of appropriate agencies under Executive Order 11912 of April 13, 1976.

This report covers the implementing activities and actions undertaken during 1976 by Federal Agencies in establishing mandatory Federal Procurement policies and standards with respect to energy conservation and efficiency, developing a 10-year plan for energy conservation in federally-owned or leased buildings, carrying

out a responsible public education program to encourage energy conservation, vanpooling and carpooling arrangements, and acquiring fuel-efficient passenger automobiles for the Federal fleet.

JIMMY CARTER

The White House,  
April 7, 1978.

NOTE: The report is entitled "Report to Congress, Implementation of Energy Conservation Programs Within the Federal Government Pursuant to the Energy Policy and Conservation Act, July 1977" (37 pages plus appendices).

## United States-Hungary Trade Relations

*Letter to the Speaker of the House and the President of the Senate. April 7, 1978*

*Dear Mr. Speaker: (Dear Mr. President:)*

In accordance with Section 407 of the Trade Act of 1974, I am transmitting a copy of a proclamation extending non-discriminatory treatment to the products of the Hungarian People's Republic. I also enclose the text of the Agreement on Trade Relations between the United States of America and the Hungarian People's Republic, which was signed on March 17, 1978, and which is included as an annex to the proclamation.

I am also enclosing a copy of my report to the Congress pursuant to Section 402 (c) (2) of the Trade Act of 1974. I shall issue today an Executive Order waiving the application of subsections (a) and (b) of Section 402.

The Agreement on Trade Relations should continue the development of our economic relations with Hungary, to our actual benefit, by placing our trade on a



nondiscriminatory basis. It marks another significant step in the improvement of U.S.-Hungarian relations. During this decade, we have concluded important agreements in the consular, financial, cultural, and scientific fields and have begun a constructive dialogue in many areas, including humanitarian matters.

I am also enclosing, for the information of the Congress, a recent exchange of letters between the Hungarian Foreign Minister and the American Ambassador to Hungary. This exchange reviews the progress we have made to date and makes clear each nation's desire to further cooperate wherever possible.

This exchange also highlights Hungary's generally positive policy on emigration. For well over a year, United States officials have had regular conversations with Hungarian officials about Hungarian emigration law, policy and practice, and about the resolution of individual cases. The Hungarian Government has stressed that it intends to continue dealing with emigration matters in a responsive and humanitarian way. Hungary's actions have been consistent with this policy; we have encountered few problems in resolving specific cases.

I have reviewed the circumstances of Hungarian emigration in light of all these considerations, and have determined that a waiver of the application of subsections (a) and (b) of Section 402 of the Trade Act of 1974 will substantially promote the objectives of that Section.

I believe that the Agreement is consistent with both the letter and the spirit of the Trade Act of 1974. It provides for mutual extension of most-favored-nation tariff treatment, while seeking to ensure overall reciprocity of economic benefits. Its special safeguard arrangements provide strong assurances that our trade with Hungary will grow without injury to do-

mestic firms or loss of jobs for American workers.

Sincerely,

JIMMY CARTER

NOTE: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Walter F. Mondale, President of the Senate.

## United States-Hungary Trade Relations

*Proclamation 4560. April 7, 1978*

AGREEMENT ON TRADE RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE HUNGARIAN PEOPLE'S REPUBLIC

*By the President of the United States of America*

### A Proclamation

As President of the United States of America, acting through my representatives, I entered into the negotiation of an agreement on trade relations between the United States of America and the Hungarian People's Republic with representatives of the Hungarian People's Republic;

The negotiations were conducted in accordance with the requirements of the Trade Act of 1974 (P.L. 93-618, January 3, 1975; 88 Stat. 1978) ("the Act");

An "Agreement on Trade Relations between the United States of America and the Hungarian People's Republic," in English and Hungarian, was signed on March 17, 1978, by representatives of the two Governments, and is annexed to this Proclamation;

The Agreement conforms to the requirements relating to bilateral commercial agreements specified in Section 405 (b) of the Act;

Article XI of the Agreement provides that it shall enter into force on the date of exchange of written notices of acceptance by the Governments of the United States of America and the Hungarian People's Republic; and

Section 405(c) of the Act provides that a bilateral commercial agreement and a proclamation implementing such agreement shall take effect only if approved by the Congress;

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, proclaim as follows:

(1) This Proclamation shall become effective, said Agreement shall enter into force according to its terms, and nondiscriminatory treatment shall be extended to the products of the Hungarian People's Republic in accordance with the terms of the said Agreement, on the date of exchange of written notices of acceptance in accordance with Article XI of the said Agreement; and

(2) General Headnote 3(e) of the Tariff Schedules of the United States is amended by deleting therefrom "Hungary" as of the effective date of this proclamation and a notice thereof shall be published in the FEDERAL REGISTER promptly thereafter.

IN WITNESS WHEREOF, I have signed this Proclamation this seventh day of April, in the year of our Lord one thousand nine hundred seventy-eight, and of the Independence of the United States of America the two hundred second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 3:21 p.m., April 7, 1978]

NOTE: The agreement on U.S.-Hungarian trade relations was filed with the Office of the Federal Register as part of the original document.

## United States-Hungary Trade Relations

*Message to the Congress. April 7, 1978*

*To the Congress of the United States:*

Pursuant to Section 402(c)(2) of the Trade Act of 1974, (hereinafter, "the Act") I shall issue today an Executive Order waiving the application of Subsections (a) and (b) of Section 402 of the Act with respect to the Hungarian People's Republic.

I wish to report to the Congress that I have determined that this waiver will substantially promote the objectives of Section 402 of the Act; and that I have received assurances that the emigration practices of the Hungarian People's Republic will henceforth lead substantially to the achievement of those objectives.

JIMMY CARTER

The White House,  
April 7, 1978.

## United States-Hungary Trade Relations

*Executive Order 12051. April 7, 1978*

WAIVER UNDER THE TRADE ACT OF  
1974 WITH RESPECT TO THE  
HUNGARIAN PEOPLE'S REPUBLIC

By virtue of the authority vested in me as President of the United States of America by Section 402(c)(2) of the Trade Act of 1974 (88 Stat. 2057, 19 U.S.C. 2432(c)(2)), which continues to apply to the Hungarian People's Republic pursuant to Section 402(d), and having made the report to the Congress required by Section 402(c)(2), I waive the application of subsections (a) and

(b) of Section 402 of said Act with respect to the Hungarian People's Republic.

JIMMY CARTER

The White House,  
April 7, 1978.

[Filed with the Office of the Federal Register,  
3:22 p.m., April 7, 1978]

(7) One State Attorney General.

(8) Seven persons from the private sector.”.

JIMMY CARTER

The White House,  
April 7, 1978.

[Filed with the Office of the Federal Register,  
3:23 p.m., April 7, 1978]

## National Commission for the Review of Antitrust Laws and Procedures

*Executive Order 12052. April 7, 1978*

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, and as President of the United States of America, in order to provide for increased participation on the National Commission for the Review of Antitrust Laws and Procedures, Section 1(b) of Executive Order No. 12022 of December 1, 1977, is hereby amended to read as follows:

“The Commission shall consist of twenty-two members to be appointed by the President and shall include:

(1) The Assistant Attorney General in charge of the Antitrust Division of the Department of Justice.

(2) The Chairman of the Federal Trade Commission.

(3) The Chairman of one other appropriate independent regulatory agency.

(4) Five members of the Senate recommended by the President of the Senate.

(5) Five members of the House of Representatives recommended by the Speaker of the House of Representatives.

(6) One judge of a United States District Court.

## Citizens Band Radio Transceivers

*Proclamation 4561. April 7, 1978*

TEMPORARY DUTY INCREASE ON THE IMPORTATION INTO THE UNITED STATES OF CERTAIN CITIZENS BAND (CB) RADIO TRANSCEIVERS

*By the President of the United States of America*

### A Proclamation

1. Pursuant to section 201(d)(1) of the Trade Act of 1974 (the Trade Act) (19 U.S.C. 2251(d)(1)), the United States International Trade Commission (USITC) on February 2, 1978, reported to the President (USITC Report 201-29) the results of its investigation under section 201(b) of the Trade Act (19 U.S.C. 2251(b)). The USITC determined that Citizens Band (CB) radio transceivers, provided for in item 685.25 (which was changed to item 685.28 by Executive Order 12032, and which is now being changed to item 685.27 by the Annex to this proclamation) of the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202) are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. The USITC was divided on its remedy recommendations to the President.

2. On March 27, 1978, pursuant to section 202(b)(1) of the Trade Act (19 U.S.C. 2252(b)(1)), and after taking into account the considerations specified in section 202(c) of the Trade Act (19 U.S.C. 2252(c)), I determined to remedy or prevent the injury or threat thereof found to exist by the USITC through the proclamation of a temporary duty increase. On March 27, 1978, in accordance with section 203(b)(1) of the Trade Act (19 U.S.C. 2253(b)(1)), I transmitted a report to the Congress setting forth my determination and intention to proclaim a temporary duty increase and stating the reasons why my decision differed from the actions recommended by the USITC.

3. Section 503(c)(2) of the Trade Act (19 U.S.C. 2463(c)(2)) provides that no article shall be eligible for purposes of the Generalized System of Preferences (GSP) for any period during which such article is the subject of any action proclaimed pursuant to section 203 of the Trade Act (19 U.S.C. 2253).

4. Section 203(e)(1) of the Trade Act (19 U.S.C. 2253(e)(1)) requires that import relief be proclaimed and take effect within 15 days after the import relief determination date.

5. Pursuant to sections 203(a)(1), 203(e)(1), and 503(c)(2) of the Trade Act (19 U.S.C. 2253(a)(1), 2253(e)(1), and 2463(c)(2)), I am providing import relief through the temporary increase of import duty on, and the removal from eligibility for duty free entry under the GSP of, certain Citizens Band (CB) radio transceivers, including those capable of receiving signals on bands other than the Citizens Band, as hereinafter proclaimed.

Now, THEREFORE, I, JIMMY CARTER, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including

title V, section 604 and section 203 of the Trade Act (19 U.S.C. 2461 *et seq.*; 19 U.S.C. 2483; and 19 U.S.C. 2253), and in accordance with Article XIX of the General Agreement on Tariffs and Trade (GATT) (61 Stat. (pt. 5) A58; 8 UST (pt. 2) 1786), do proclaim that—

(1) Part I of Schedule XX to the GATT is modified to conform to the actions taken in paragraphs 2 and 3 of the Annex to this proclamation.

(2) General Headnote 3(c)(iii), part 5 of schedule 6, and subpart A, part 2 of the Appendix to the TSUS are modified as set forth in the Annex to this proclamation.

(3) Annex II of Executive Order No. 11888 of November 24, 1975, as amended, listing articles that are eligible for benefits of the GSP when imported from any designated beneficiary developing country, is further amended by adding item 685.29 (as added by the Annex to this proclamation), in numerical sequence.

(4) Annex III of Executive Order No. 11888, as amended, listing articles that are eligible for benefits of the GSP when imported from all designated beneficiary countries except those specified in General Headnote 3(c)(iii) of the TSUS, is amended by deleting item 685.28 therefrom.

(5) This proclamation shall be effective as to those articles entered, or withdrawn from warehouse, for consumption on or after April 11, 1978. The increased rates of duty provided for in the Annex to this proclamation shall apply only with respect to articles entered, or withdrawn from warehouse, for consumption before the close of April 10, 1981, unless the period of their effectiveness is earlier expressly modified or terminated.

IN WITNESS WHEREOF, I have hereunto set my hand this seventh day of April in the year of our Lord nineteen hundred

and seventy-eight, and of the Independence of the United States of America the two hundred second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 4:50 p.m., April 7, 1978]

NOTE: The annex is printed in the *FEDERAL REGISTER* of April 11, 1978.

## National Advisory Council on Economic Opportunity

***Appointment of Six Members. April 7, 1978***

The President today announced the appointment of six persons as members of the National Advisory Council on Economic Opportunity for terms expiring September 22, 1980. The Council is a 21-member advisory council affiliated with the Community Services Administration. Those appointed are:

HANNAH HUME BAIRD, of Florence, Ky., who is active in community affairs such as the Northern Kentucky Human Services Planning Council and the Northern Kentucky Area Development District Human Services Advisory Board;

WILLIAM M. DALEY, a Chicago attorney;

Ms. L. C. DORSEY, of Jackson, Miss., executive director of the Mississippi Council on Human Relations and associate director of the Southern Coalition on Jails and Prisons;

HAZEL N. DUKES, of Roslyn Heights, N.Y., president of the New York State Conference of Branches of the NAACP and director of administrative services for the New York City Off-Track Betting Corp.;

GEOFFREY FAUX, of Whitefield, Maine, an economist and codirector of the Exploratory Project for Economic Alternatives;

W. PHILIP McLAURIN, of Portland, Oreg., ombudsman for the State of Oregon and former acting director of the City of Portland Training and Employment Division, Human Resources Bureau.

## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *April 1*

While in Lagos, Nigeria, the President attended a cultural program at Tafawa Balewa Square.

### *April 2*

Following his meetings with General Obasanjo, the President went to the Nigerian Port Authority, where he boarded *Maris III* for a cruise to Tin Can Island, in Lagos Harbor, for a tour of the new port facility.

### *April 3*

The President met on the East Patio of the State House Marina with employees of the American Embassy in Nigeria and members of their families. He then proceeded to Murtala Muhammed Airport, where he was joined by General Obasanjo for the departure ceremony, and then left Nigeria for his visit to Liberia.

Following his luncheon with President Tolbert, the President visited the Peace Corps headquarters in Monrovia. He then proceeded to Roberts International Airport, where he was joined by President Tolbert for the departure ceremony before his return trip to the United States.

### *April 4*

The President met at the White House with Hans-Dietrich Genscher, Foreign Minister of the Federal Republic of Germany. They discussed enhanced radiation weapons, among other topics.

*Administration of Jimmy Carter, 1978*

*April 5*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- the Democratic congressional leadership;
- members of the Senate Foreign Relations Committee;
- Vice President Walter F. Mondale, Adm. Stansfield Turner, Director of Central Intelligence, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski;
- G. William Miller, Chairman of the Board of Governors of the Federal Reserve System, and Ruben Mettler, chairman of the board, TRW Systems Groups, TRW, Inc.;
- Vice President Mondale, Secretary of the Treasury W. Michael Blumenthal, Charles L. Schultze, Chairman of the Council of Economic Advisers, and Mr. Miller.

*April 6*

The President met at the White House with:

- Dr. Brzezinski;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- a group of business, labor, and political leaders to discuss tax reform;
- Secretary of Health, Education, and Welfare Joseph A. Califano, Jr., Senator Edward M. Kennedy, George Meany, president of the AFL-CIO, and Douglas A. Fraser, president of the United Auto Workers, to discuss national health insurance;
- Maj. Gen. Earl O. Anderson, chairman, and Col. James C. Craig, mem-

bership chairman, of the Reserve Officers' Association;

- Prince and Princess Hitachi of Japan;
- Michael Bakalis, Democratic candidate for Governor of Illinois, and Richard Durkin, Democratic candidate for Lieutenant Governor of Illinois;
- Mrs. Carter, for lunch;
- James T. McIntyre, Jr., Director of the Office of Management and Budget.

In connection with the American Cancer Society's April Crusade, the President met in the Oval Office with representatives of the Society and other guests, and presented the Cancer Courage Award to Tom Harper, a midshipman at the U.S. Naval Academy at Annapolis.

*April 7*

The President met at the White House with:

- Vice President Mondale, Secretary of State Cyrus R. Vance, Mr. Jordan, and Dr. Brezezinski;
- Mr. Moore;
- Representative John D. Dingell of Michigan;
- Dr. Schultze;
- a group of editors and news directors (transcript will be printed next week);
- Senator Gaylord Nelson of Wisconsin.

In a ceremony in the Oval Office, the President received diplomatic credentials from Ambassadors Alex Quaison-Sackey of Ghana, Romuald Spasowski of Poland, Carlos Iturralde Ballivian of Bolivia, Paolo Pansa Cedronio of Italy, and Merwyn Norrish of New Zealand.

The President left the White House for a weekend stay at Camp David, Md.

## *Administration of Jimmy Carter, 1978*

### **NOMINATIONS SUBMITTED TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

#### **Submitted April 4, 1978**

ROBERT J. SUGARMAN, of Pennsylvania, to be a Commissioner on the part of the United States on the International Joint Commission, United States and Canada.

#### **Submitted April 6, 1978**

WILLIAM E. ALBERS, of the District of Columbia, to be Alternate Federal Cochairman of the Appalachian Regional Commission, vice George G. Seibels, Jr., resigned.

#### **Submitted April 7, 1978**

DAVID BRONHEIM, of the District of Columbia, to be an Assistant Administrator of the Agency for International Development, vice Frederick T. Van Dyk, resigned.

ANITA MILLER, of New Jersey, to be a member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1978, vice Thomas R. Bomar, resigned.

ANITA MILLER, of New Jersey, to be a member of the Federal Home Loan Bank Board for the term of 4 years expiring June 30, 1982 (reappointment).

CRISTOBAL C. DUENAS, of Guam, to be Judge of the District Court of Guam for a term of 8 years (reappointment).

LEN J. PALETTA, of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania, vice Herbert P. Sorg, retired.

LEONARD B. SAND, of New York, to be United States District Judge for the Southern District of New York, vice Charles M. Metzner, retired.

PETER J. McLAUGHLIN, of Delaware, to be United States Marshal for the District of Delaware for the term of 4 years, vice John J. Smith.

GLEN E. ROBINSON, of California, to be United States Marshal for the Northern District of California for the term of 4 years, vice Frank X. Klein, Jr.

### **NOMINATIONS—Continued Submitted April 7—Continued**

The following-named persons to be members of the Federal Council on the Aging for the terms indicated:

*For a term expiring December 19, 1979*

NELSON H. CRUIKSHANK, of the District of Columbia, vice Sheldon G. Hill, term expired.

*For a term expiring June 5, 1979*

HOBART CALVIN JACKSON, SR., of Pennsylvania, vice Frell M. Owl, term expired.

WALTER L. MOFFETT, of Idaho, vice Lennie-Marie P. Tolliver, term expired.

JAMES T. SYKES, of Wisconsin, vice Frank B. Henderson, term expired.

*For a term expiring June 5, 1980*

FANNIE B. DORSEY, of Kentucky, vice Nelson Hale Cruikshank, term expired.

MARY A. MARSHALL, of Virginia, vice Hobart C. Jackson, term expired.

BERNICE L. NEUGARTEN, of Illinois, vice Sharon Masaye Fujii, term expired.

FERNANDO MANUEL TORRES-GIL, of California, vice Bernard E. Nash, term expired.

WESLEY C. UHLMAN, of Washington, vice Garson Meyer, term expired.

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### **CHECKLIST OF WHITE HOUSE PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

#### **Released April 1, 1978**

Advance text: remarks at the National Arts Theatre in Lagos

#### **Released April 2, 1978**

Fact sheet: Tin Can Island, Lagos, Nigeria

News conference: on the President's meetings with Lt. Gen. Olusegun Obasanjo in Lagos—by Zbigniew Brzezinski, Assistant to the President for National Security Affairs

#### **Released April 6, 1978**

News conference: on the White House Conference on Small Business—by A. Vernon Weaver, Jr., Administrator of the Small Business Administration, and Senator Gaylord Nelson of Wisconsin

*Administration of Jimmy Carter, 1978*

**CHECKLIST—Continued**

**Released April 7, 1978**

Announcement: nomination of Alfred Laureta to be Judge for the District Court for the Northern Mariana Islands

Announcement: nomination of Peter J. McLaughlin to be United States Marshal for the District of Delaware, and Glen E. Robinson to be United States Marshal for the Northern District of California

Announcement: nomination of Cristobal G. Duenas for reappointment as Judge for the District Court of Guam; Len J. Paletta to be United States District Judge for the Western District of Pennsylvania; and Leonard B. Sand to be United States District Judge for the Southern District of New York

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved April 4, 1978**

H.R. 10982----- Public Law 95-254  
An act to rescind certain budget authority contained in the message of the President of January 27, 1978 (H. Doc. 95-285), transmitted pursuant to the Impoundment Control Act of 1974.

**ACTS APPROVED—Continued**

**Approved April 4—Continued**

H.J. Res. 796----- Public Law 95-255  
A joint resolution making an urgent supplemental appropriation for disaster relief for the fiscal year ending September 30, 1978.

**Approved April 6, 1978**

H.R. 5383----- Public Law 95-256  
Age Discrimination in Employment Act Amendments of 1978.

**Approved April 7, 1978**

H.R. 9169----- Public Law 95-257  
An act to amend title XI of the Merchant Marine Act, 1936, to permit the guarantee of obligations for financing fishing vessels in an amount not exceeding 87½ per centum of the actual or depreciated actual cost of each vessel.

H.R. 11055----- Public Law 95-258  
An act relating to the year for including in income certain payments under the Agricultural Act of 1949 received in 1978 but attributable to 1977, and to extend for one year the existing treatment of State legislators' travel expenses away from home.



# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, April 14, 1978

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## Interview With the President

*Remarks and a Question-and-Answer Session With a Group of Editors and News Directors. April 7, 1978*

THE PRESIDENT. Let me say first of all it's a great pleasure to have you here in the White House. We've been conducting these meetings every 2 weeks since I've been in office, and with the arrival today of Alaska and Hawaii editors, we've had more than 500 top news executives and all 50 States.

What I ordinarily do, and what I will do today, is to spend 3 or 4 minutes just giving you an outline of some of the things that I've been working on the last couple of days or few hours and then spend the rest of the time responding to your questions.

### ADMINISTRATION POLICIES

On the domestic scene, the most important single issue for us is in the Senate with the Panama Canal Treaty deliberations, which are approaching now the final stages. We think we will have a vote a little after the middle of this month. It's still a difficult issue to deal with politically, one that is taking up almost full time in the Senate.

The Senate and House are working together for the final stages, I hope, of ne-

gotiation on energy legislation. Their two conferee groups are now dealing with natural gas prices and deregulation rates, and then will turn to the crude oil equalization tax question. The other three major items out of five have already been resolved.

I will be meeting this afternoon with a Member of the Senate to discuss the social security question. The Congress took, I think, bold and proper action last year. My own preference as President is that we should not reopen that question on social security this year.

We are pushing hard for our tax reform package, tax reduction which amounts to about \$25 million [billion]. We are trying to hold down excessive budget demands that would come from additional farm legislation. The Congress has acted responsibly, I think, last year on this as well.

On the foreign scene, this morning I issued a statement on enhanced radiation weapons after close consultation not only with my own administration officials but also our key allied leaders overseas. I discussed this with General Haig by secure telephone, and this morning in Europe the NATO conference met, and I gave the heads of state, earlier, in the NATO conference, the statement that I would make today.

It was carefully drafted, and that's my only statement on that subject, because they are predicating their responses on that specific statement. So, I don't care for a day or two to elaborate it; I think it would be a violation of what I told them I would say if I went into that any more deeply.

I was talking to President Giscard this morning on the phone. He's coming over to make a speech to the United Nations in May, and he will probably come by to see me if we can work out details. We will be having the NATO conference here at the end of May. We are making plans for that already. It will be a 2-day, full session; the first day devoted to political matters between me and the heads of state, pretty well exclusively—maybe foreign ministers sitting in on some of the sessions—the second day on military matters with the heads of state again participating.

This is a first in having the heads of state so deeply involved in NATO details, both politics and military matters, and it shows the renewed importance of NATO in our minds.

We have been working, as you know, on the Mideast question ever since I've been in office. And we've become much more deeply involved in the affairs in Africa than ever before in our Nation's history. We've got a great threat there to peace that could involve the whole world if it should break down.

The Horn of Africa, the Eritrean question is going to arise soon in a much more highly publicized way. We hope that this can be resolved peacefully and that we will not have another war in Ethiopia brought about by the Eritrean question, certainly not involving foreign troops.

In Zimbabwe, we initiated this past week, along with the British, a meeting with the Salisbury leaders for internal settlement, also with the frontline presi-

dents who surround Rhodesia and, hopefully, with the so-called Patriotic Front leaders. Later, at least one of them, Mugabe, said he would participate in these discussions.

In Namibia, we are acting along with three or four other of the Western leaders in the Security Council as agents of the United Nations, trying to bring an orderly withdrawal of the South Africans from that country, as has already been agreed to within the United Nations.

Another obvious, continuing effort is to bring about a peaceful and a satisfactory SALT agreement with the Soviet Union. We've made good and steady progress. I think they've negotiated in good faith; so have we. I can't predict that we will reach an ultimate agreement, because there are still several crucial items that we have not yet resolved.

Secretary Vance will be going to Moscow soon to pursue these remaining items. And we hope to resolve some of them and bring us closer to a resolution of them.

We are making good progress on the comprehensive test ban. For the first time, we're attempting to ban the testing of all nuclear devices, both peaceful and weapons. And the British, the Soviets, and we have made good progress on that in the last 6 months.

This morning, as a routine matter, I received five Ambassadors who presented their credentials to me. I spent 5, 10 minutes with each one of them talking about special problems with their own countries—countries like New Zealand and Italy, Ghana. This was a very routine thing for me to do. But before I meet with those Ambassadors, I have to learn a little about their country, review their latest problems and achievements so that I can send a message to their heads of state.

This is a ceremony that has both substance and just ceremonial benefits. Those are some of the outlines of things that I've

been working on, at least today. And I would be glad to have questions from you on these things.

### QUESTIONS

#### PRESIDENT'S RELATIONSHIP WITH WESTERN STATES

Q. Mr. President, I'm from Colorado, and there is a lot of talk down in Colorado and other parts of the West, particularly the Rockies and so forth, about the alienation between the President and the West. How do you react to that in your hitlist and so forth and the water policy?

THE PRESIDENT. Well, there have been similar articles about the alienation between me and minority groups, between me and the farmers, between me and the cities, between me and the Congress, between me and the Soviets, between me and the West Germans, and so forth. You know, there's always that inclination. I think we've got a good relationship in the West.

My hope is before too long to visit Colorado in person and to meet with those who are particularly interested in our water policy and also to meet with some of the farmers in perhaps the western part of your State. We're trying to prepare a trip for me, maybe sometime next month. We haven't settled on a date yet. But I would like to do this. I think that our water policy will be acceptable to the people of Colorado.

It's not yet reached my desk. But all of the agencies in the Federal Government who are involved in this, both those who build dams—Interior and the Corps of Engineers—those who have agriculture policy that relates to irrigation—the Energy Department, EPA—have participated in this water policy evolution.

I think that it's entirely inevitable that all elements of it will not be attractive for

any person. Some of the decisions I make will be very difficult and close decisions. But we've never in the past had a comprehensive water policy. And I think in the future it will be an excellent guide to local and State people who will retain full control that they presently have over their water allocations.

It will also be an excellent guide for me and future Presidents and for the Congress. So, for the first time, we can work in harmony with some predictability about what we do see as major needs in the development of our water resources in this country. Also, I think it would tend to prevent future confrontations when inadequate or improper priorities are established for the expenditure of Federal and other funds.

So, my belief is that the furor that's been created by an addressing of this question will soon abate, and the ultimate outcome will be a great alleviation of tensions, misappropriations, and divisiveness between the Federal Government and other elements in and of our society.

#### ALASKA

Q. While we are in the West, could I take you further north, Mr. President, to Alaska?

THE PRESIDENT. Fine.

Q. You have not visited Alaska since your early campaign or since you became President. And I wondered if since we are really a developing nation up north—[laughter]—whether you had any plans to visit Alaska; secondly, if you plan to throw your weight behind any effort with Congress to alleviate the oil glut caused by the Alaska pipeline on the west coast, by working out a tradeoff of oil with Japan; and thirdly, if you would just speak a moment about your feeling about the balance between the necessity to develop Alaska as the energy storehouse for

the country and a storehouse of national interest lands?

I'm sure you are aware of the debate going on about that now.

THE PRESIDENT. Well, you had several questions that would take a long time and would really tax my ability also. *[Laughter]*

I did go to Alaska during my campaign. It was when nobody knew who I was and not much attention was paid to my visit. *[Laughter]* I was there in June of 1975—

Q. I know you were.

THE PRESIDENT.—and went to a reception on my behalf. I made a speech and attended a major Democratic meeting. I think it was on Senator Gravel's birthday when I was there. So, I've visited there. But I would like to come back.

I think the temporary, excessive supplies of oil about which you are concerned is a worldwide phenomenon. I just came back from Venezuela and Nigeria. They are both concerned about the fact that their present oil sales are much less than they were a year ago because of decreased demand.

One of the reasons for that is that there have been new sources of oil coming into the world market—Alaska is obviously a notable example—increasingly from Mexico, the North Sea supplies. That's a transient development, as you know.

And very quickly in our country, if present trends continue, particularly enhanced by the fact that we want to reduce imports from other nations, I think the Alaskan oil supplies will be absorbed eagerly by the rest of this continent.

We have proposed to the Congress now, as you know, after months, years of very careful deliberations, since and before I became President, the allocation of lands in Alaska in accordance with a congressional mandate. I believe that Cecil Andrus has done a very fine job. The committees have now considered part of those

things, have made a few changes in them. But we are trying to be fair about the setting aside of more than adequate opportunities for economic investment and development of Alaska and, at the same time, preserve the precious portions of Alaska, hopefully in perpetuity. There are some other regions in between that will be preserved for a limited period of time, to be released for future development in years to come by the Congress and my successors in office.

I think that Alaska is obviously, you know, cherished by the rest of the country. I think everybody is proud of the frontier spirit that has exemplified Alaska's rapid development. I think all of us who are familiar with the political needs have seen the shock that's come to Alaska—maybe an over-anticipation of oil revenues and now a dampened world market that causes some concern; increased transportation cost of your oil has to be absorbed by you; the fires that have occurred and the other damage to the pipeline cause a temporary aberration.

On the west coast in particular, we do have a problem. There is a question, as you know, that has not yet been addressed about the transfer of any oil from the west coast to other markets. I'm reluctant to inject this into the present congressional deliberations. I think that initiative really should come from the Congress. We believe that the passing of the energy legislation will help to provide Alaska with a much more predictable future, both in natural gas and in oil.

And we're trying, in the congressional deliberations on natural gas pricing, the incremental pricing in particular, not to create any problem that would preclude an orderly and rapid construction of the natural gas pipeline.

It's such a complicated subject, I just hit a few high points. I hope you will forgive my not being more thorough.

## CAMPAIGN PLANS

Q. Mr. President, do you plan to campaign in Massachusetts for the Democrat who will run against Brooke?

THE PRESIDENT. I haven't decided yet. I'll be going out probably on four or five trips this year to campaign. But I don't have any plans at this time to go to Massachusetts. I'm not campaigning against anybody in any case. Ed Brooke is a fine Senator. I don't know who his opponent would be. I just really haven't decided that at all.

## ISRAEL'S DEFENSE CAPABILITY

Q. Mr. President, I wondered if it is your impression that Israel has nuclear weapons, and if so, how does this affect your judgment of the capacity of Israel to defend itself in a difficult time?

THE PRESIDENT. Well, our policy is to accept the statement of the Israelis concerning their nuclear weapon capability. I don't have any independent information beyond that.

My own belief is that Israel is completely capable of defending themselves with conventional weapons alone, against any foreseeable attack now or in the years to come. We have participated with the Israelis in developing their defense capability. They are a proud and deeply committed nation. They have been willing, even eager, to sacrifice when necessary to guarantee their own security, not only economically but with the lives of their own people.

And because of that spirit that Israel has and a long-time commitment to putting security as a top priority of their nation, even when they didn't have adequate support from the rest of the world, my belief is that now and in the foreseeable future they will be strong enough to defend themselves.

## PANAMA CANAL TREATIES

Q. Mr. President, General Torrijos has filed a letter in the United Nations expressing his concerns about the DeConcini reservation to the Panama Canal treaties. I'm wondering, first, if you are fearful that these objections could jeopardize ratification of the second treaty; and secondly, whether, when you acquiesced in the DeConcini reservation, you perceived it as a source of continuing trouble in American-Panamanian relations.

THE PRESIDENT. Well, I think any sort of change or unpredictable development could endanger the passage of the second Panama treaty in the Senate, because it hangs by a thread. The support that we have is very tenuous in some instances. And I think the answer to your first question is yes.

Any statement, even if it's well based, by the Panamanians that would cause consternation or doubt in the minds of U.S. Senators could very well endanger the passage of the second treaty.

The DeConcini amendment is not what I would have preferred, but I think it's accurate to point out that the text of the treaties specifically says, in language that General Torrijos and I personally wrote down, that we do not have any intention nor right to interfere in the internal affairs of Panama.

That language remained intact. There was no successful attempt made—I don't even know if there was an attempt made—to change that language. So, that stands as a prevailing factor. The reservation cannot contravene the text of the treaty itself. There was no substantial effort made to amend it.

We obviously are a member of the United Nations. We're a member of the Organization of American States. Their charters, to which we adhere without

equivocation, specifically state that there would be no intervention in the internal affairs of other nations in this hemisphere or, in the case of the United Nations, in the entire world. So, I don't see how the DeConcini amendment, because of a couple of words that might be interpreted two or three ways, could be considered as an intent of this Nation to intervene in the internal affairs of Panama, contrary to the three specific binding elements of the international charters that we will have upon us: the U.N. Charter, the OAS charter, and the text of the treaty itself.

And I think that after the Senate gets through with the treaties, a statement that I've just made to you should be adequate to alleviate any problem. And obviously, I've just made to you should be adequate DeConcini and to the other Members of the Senate.

We're not trying in the Panama Canal treaties to throw out the basic charter of the international organizations in which we participate.

Q. Could I follow that for a moment, please?

THE PRESIDENT. Yes.

Q. Do you plan to do the same kind of lobbying effort you did for the neutrality treaty as for this one?

THE PRESIDENT. Yes. We consider the ratification of the Panama Canal treaties to be crucial to us, to our Nation's welfare, benefit, future; our relationships diplomatically, economically, militarily in this hemisphere; and to prove that we believe what we preach in the area of human rights, treating other nations as equals. I think our own security interests are adequately protected in the Panama Canal treaties. So, they are that important to us. And I would do anything that's proper, within the limit of my power, to secure ratification of both treaties.

#### FARM LEGISLATION

Q. Mr. President, in view of the plight of the American farmer, do you feel that maybe the American farmer is expecting or asking for too much too fast?

THE PRESIDENT. Well, as you know, I'm not only concerned about the plight—my background has been as a farmer; every one of my ancestors for more than almost 300 years in this country has been farmers—I've worked on this problem as much as I have any other single issue that faces the Congress. I think that the legislation passed last year by the Congress, signed by me, is adequate. It's already brought about a substantial improvement in the well-being of farm families in this country since it went into effect the first day of October. Farm prices had reached a bottom in September. And I think since then there's been good progress.

We do have market problems. You know, we could raise our prices, at the expense of other taxpayers, to the farmers and create a very healthy economic situation—no matter what the weather was, no matter how much the production was. But we would cut off the opportunity for export of our agricultural products, because they would be noncompetitive and we could break the budget. So, I think that the action that has already been taken in the '77 act, plus the administrative decisions that were announced by the Vice President while I was away on my trip, worked out with the Secretary of Agriculture, are adequate. I don't think they are excessive, but I think they are adequate. And I think that the present trend of increased economic well-being of farmers is almost inevitably going to continue.

Q. Can I follow up on that, Mr. President?

THE PRESIDENT. Please.

Q. You are quoted as having said on Wednesday that the farm bill would be not only inflationary but would be bad for the farmers. Now, in what respect would it be bad for the farmers?

THE PRESIDENT. You're talking about the Dole bill?

Q. About the farm bill.

THE PRESIDENT. Well if the Dole bill comes to my desk, I wouldn't hesitate 5 minutes to veto it.

You have to remember that one of the major elements of a stable income for farmers is exports. About 1 out of every 3 acres in the United States of our agricultural land is devoted to producing crops for export. That's one thing. Excessive prices would be a damper on how much product we could export.

Another thing is that the Dole bill, which was not adequately considered and, I think, was primarily motivated by politics, completely bypasses the administrative procedures that were continued and enhanced by the 1977 act. It's designed only for 1 year. So, you would throw all of the administrative mechanism, which is very complicated already, out the door, implement just for a few months the so-called Dole bill provisions, and then you would come back with the basic agricultural act after the end of 1 year.

Also, this flexible parity that's been introduced by the Dole amendment is one that's never been assessed economically. It's never been proven. Nobody has ever tried to administer it. What it means is that if a farmer dropped his acreage planted by a third, he would have a commensurate increase in the price supports for his particular farm products. And to keep track of every individual bushel of wheat and how much it would bring in the marketplace, depending upon how much that particular farmer took out of

production, would be an administrative nightmare.

I think it would create so much confusion in the farm economy that it would be detrimental, not only to the farmers but to the consumers.

I haven't mentioned the consumers. I think you probably noticed that it would probably increase food prices alone more than 5 percent.

MR. WURFEL. Thank you, sir.

THE PRESIDENT. I'm sorry I don't have more time for questions. I know you will be meeting with a lot of other people in the White House. I particularly wanted, if you have no objections to your coming by and let us get a photograph with each one of you together. *[Laughter]* If there are any of you who don't want to get a photograph with me, I won't be embarrassed. *[Laughter]* Or if you get one, you can hide it when you get it back home.

I wish I had time to talk to you, but since we are pressed for time and they are a large group, let's just shake hands.

I particularly want to see Reg Murphy and my old friends from Georgia. He was the editor of our major newspaper in our State before he went to San Francisco. Reg, glad to see you here. Thank you very much.

NOTE: The interview began at 1:03 p.m. in the Cabinet Room at the White House. Walter W. Wurfel is Deputy Press Secretary.

The transcript of the interview was released on April 8.

## Bonn Economic Summit Conference

*Joint Statement by Heads of State and Government. April 10, 1978*

The Heads of State and Government of Canada, France, Germany, Italy,

Japan, the United Kingdom, and the United States of America have agreed to hold the next Summit meeting in Bonn at the invitation of Chancellor Schmidt on July 16 and 17. The European Community will be represented by the President of the Council and the President of the Commission in sessions dealing with matters within the Community's competence. The meeting will provide an occasion for the participants to review the world economic situation and to give impetus to national and international approaches that can contribute to a healthier world economy.

The world faces serious and interrelated economic problems. Their resolution requires approaches in various areas that, taken together, will reinforce each other in improving the economic situation. The interrelated issues to be addressed include the achievement of more rapid global growth with further progress in reducing inflation, energy, trade, international monetary matters, and the cooperation between industrial and developing countries. These issues must be tackled by individual countries in a mutually supportive manner. The Summit participants will work to this end in developing their policies and in preparing for the July meeting.

## Social Security Financing Legislation

*Letter to Congressional Leaders.*  
*April 10, 1978*

I will be releasing a statement today reiterating this Administration's position that the 1977 social security financing legislation should not be changed this year. The tax increases in that legislation have saved the system from bankruptcy, protected our older citizens, and insured current workers of a sound retirement system

when they retire. The magnitude of the tax increase has been exaggerated in the press and the significant increases do not occur for several years.

In my view, it would be better to act on reform of social security in a more deliberate fashion next year than to risk ill-considered legislation through hasty action this year. Congress recognized the need for careful study by creating several study groups as part of the 1977 Act.

A short-term payroll tax cut is not a substitute for the comprehensive tax reform and reduction proposals I have presented to the Congress. Those proposals will offset the higher payroll taxes for the majority of individuals, improve the fairness of our tax system, and sustain economic growth. I urge you to oppose any plan which would reduce payroll taxes at the expense of income tax reductions.

Enactment of our tax reform and reduction proposals would be a more prudent and responsible step than stop-gap action on payroll taxes. We stand ready to work with the Congress on reform in social security next year.

Sincerely,

JIMMY CARTER

NOTE: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, Robert C. Byrd, majority leader of the Senate, Senator Russell B. Long, and Representative Al Ullman.

## Social Security Financing Legislation

*White House Statement. April 10, 1978*

We are very concerned about current efforts to amend the recently passed social security financing legislation. Upon signing the bill, the President praised the Congress for its political courage in voting for the taxes necessary to restore the financial integrity of the social security system. He



did so, even though the bill adopted a financing plan different and more expensive than we had proposed.

It would be a mistake for the Congress to retreat from the 1977 legislation so soon after its passage. Hasty action now could result in ill-considered legislation which might again place the trust funds in jeopardy.

It is often forgotten that those taxes pay for important benefits for our people. Our first priority must be the protection of the social security system and the restoration of confidence of those who support it and those who benefit.

Much of the concern about the 1977 legislation appears to be the result of misinformation. News articles have asserted that the law would triple the payroll tax burden on workers and employers. That is simply not so. The correct measure of burden is the percentage of earnings which is devoted to the social security tax. By that measure, the payroll tax burden on the average worker, and the worker earning the maximum covered wage, will increase from 6.05 percent in 1978 to 7.15 percent in 1987. The high-income worker earning \$30,000 today will experience a more substantial percentage increase from 3.5 percent in 1978 to 5.9 percent in 1987, because the payroll tax has become more progressive. These increases in tax burden are far smaller than those so often mentioned. We believe that most Americans would agree that this is a reasonable price to pay to ensure that the social security system is once again made sound.

Moreover, the President's proposals to reduce income taxes will more than compensate most workers for the increases in payroll taxes. The reform of the income tax is part of a carefully coordinated economic program, which will improve the equity of the Federal tax system and sustain economic growth. We urge the

Congress to focus its attention on those fundamental proposals, rather than a short-term reduction in the payroll tax.

## Anti-Inflation Policy

*Remarks to Members of the American Society of Newspaper Editors Announcing the Administration's Policy. April 11, 1978*

*President Patterson, future President Hughes, distinguished editors from around the Nation, ladies and gentlemen:*

I realize that this is one of the most important and prestigious conventions held in our entire country. This has been impressed upon me by several of the editorials I've read from around the Nation's newspapers. [Laughter] However, in the local morning paper, the story was on page D-13, next to the used automobile ads, a place that I thought was reserved for corrections and apologies. [Laughter]

We had a difficult time deciding what I should discuss with you this afternoon. One of our staff members finally suggested that we choose a major problem which we have not yet solved. [Laughter] This took 2 or 3 days. And we finally decided on one of the least difficult ones—inflation, energy, and the value of the dollar.

I am delighted to be with you to discuss this important subject.

During the last 15 months, we in the United States have made good progress in sustaining growth and in creating jobs. Four-and-a-half million more people are at work today than 15 months ago, an unprecedented increase in job availability. The unemployment rate has dropped from about 8 percent to just a little more than 6 percent. Average household income after adjustment for both taxes and inflation is 5 percent higher now than it

was a year ago. Business profits in the second half of 1977, compared to the year before that, are 15 percent higher. And during this time in 1977, the inflation rate was held to a reasonable and a predictable level.

But too many Americans—particularly young people and members of minority groups—are still without jobs. I'm determined to sustain our economy's progress toward high employment and rising real income with both existing programs and with new, very carefully targeted incentives to encourage private business to hire the hardcore unemployed.

We have other economic problems which cause us continuing deep concern. Our Nation's economic health can be protected only if we can cope with the two developments that now threaten it most seriously—the high level of oil imports, and the increasing rate of inflation. These two problems both imperil our economic recovery and threaten the strength of the dollar. Both must be controlled.

The steps that we will take are part of a wider international effort by the major industrial nations to promote world recovery in 1978. In this effort, each country has a certain role to play, with the United States maintaining its growth while attacking inflation and limiting oil imports, other countries achieving their growth targets, which we have done, and all countries avoiding protectionism and providing greater aid for developing nations.

In the hope that this concerted effort will make a large contribution to world recovery, I joined the leaders of six other nations yesterday in announcing that we will meet on July 16 and 17 in Bonn, Germany, to press ahead with our common efforts. But the first requirement is effective action within each nation.

The primary reason for our problems with the balance of trade and the decreas-

ing value of the dollar is no mystery. Ten years ago we were paying roughly \$2 billion a year for imported oil. This year, oil imports will cost us more than \$45 billion.

Our energy problems are no longer theoretical or potential. They are an active threat to the economic well-being of our people.

Of all the major countries in the world, the United States is the only one without a national energy policy, and because the Congress has not acted, other nations have begun to doubt our will. Holders of dollars throughout the world have interpreted our failure to act as a sign of economic weakness, and these views have been directly translated into a decreasing value for our currency.

The falling dollar in international monetary markets makes inflation worse here at home. It raises the price of goods that we import, and this makes it easier for domestic producers to raise their own prices as well, because the competition is not still there.

That's why we simply must have meaningful energy legislation without further delay. Our security depends on it, and our economy demands it. If Congress does not act, then oil imports will have to be limited by administrative action under present law, and this is certainly not the most desirable solution. But one way or the other, oil imports must be reduced.

Recently, our healthy and sustained economic growth has exceeded that of most other nations who are our major trading partners. So, we've been better able to buy their goods than they have to buy our own.

Our standard of living and our ability to grow depend upon the raw materials and the goods that we import from other countries. Therefore, to prevent further serious trade imbalances, we need to export more agricultural products and other

goods and services to pay for our purchases abroad.

A Cabinet-level task force, headed by the Secretary of Commerce, will develop these additional measures for me to promote exports and report back within 60 days.

Now I will discuss the steps that we must take to protect our national economic growth and the jobs and the prosperity of our people from the most serious threat of growing inflation.

Conserving energy, increasing efficiency and productivity, eliminating waste, reducing oil imports, expanding our exports will help to fight inflation. But making the fight a success will require firm government policies and full private cooperation.

The inflation that we are suffering today began many years ago and was aggravated in 1973 and 1974 by a quadrupling of OPEC oil prices, widespread crop shortages, excessive Soviet grain purchases, substantial devaluation of the dollar, and a worldwide industrial boom that led to double-digit inflation both here in the United States and around the world. Inflation has now become embedded in the very tissue of our economy. It has resisted the most severe recession in a generation. It persists because all of us—business, labor, farmers, consumers—are caught on a treadmill which none can stop alone. Each group tries to raise its income to keep up with present and anticipated rising costs, and eventually we all lose the inflationary battle together.

There are no easy answers. We will not solve inflation by increasing unemployment. We will not impose wage and price controls. We will work with measures that avoid both these extremes.

Our first and most direct efforts are within government itself. Where government contributes to inflation, that contribution must be lessened; where govern-

ment expenditures are too high, that spending must be reduced; where government imposes an inflationary burden on business, labor, and the consumers, those burdens must be lightened; wherever government can set an example of restraint and efficiency, it must do so.

The budget that I've proposed for the next fiscal year is both tight and capable of meeting the Nation's most pressing needs. The prospective deficit in the budget is as large as we can afford without compromising our hopes for a balanced economic growth and a declining inflation rate. But, as always, pressures are developing on all sides to increase spending and to enlarge the deficit.

Potential outlay increases in the 1979 budget which are now being considered seriously by congressional committees would add between \$9 billion and \$13 billion to spending levels next year. The price of some of these politically attractive programs would escalate rapidly in future years. I'm especially concerned about tuition tax credits, highway and urban transit programs, postal service financing, farm legislation, and defense spending. By every means at my disposal, I will resist these pressures and protect the integrity of the budget.

Indeed, as opportunities arise, we must work to reduce the budget deficit and to ensure that beyond 1979 the deficit declines steadily and moves us toward a balanced budget. I will work closely with the Congress, and if necessary, I will exercise my veto authority to keep the 1979 budget deficit at or below the limits that I've proposed.

The Federal Government must also act directly to moderate inflation. Two months ago I proposed that in each industry and each sector of our economy that wage and price increases this year be voluntarily held substantially below the average wage increases for the last 2 years. I'm deter-

mined to take the lead in breaking the wage and price spiral by holding Federal pay increases down.

Last year Federal white-collar salaries rose by more than 7 percent. I intend to propose a limit of about 5½ percent this year, thereby setting the example for labor and industry to moderate price and wage increases.

This year I will also freeze the pay of all executive appointees in the Federal Government and members of my own senior staff. I believe that those who are most privileged in our Nation—including other executives in government and also in the private sector—should set a similar example of restraint.

State and local governments employ every seventh worker in our Nation, and I've sent letters this week to every Governor and to the mayors of our major cities, asking that they follow the Federal example and hold down their pay increases.

I've also asked that if those governments plan to reduce taxes that they first consider lowering sales taxes, which add directly to the consumer's burden.

The Federal Government will take several other steps to reduce inflation.

All executive branch agencies will avoid or reduce the purchase of goods or services whose prices are rapidly rising, unless by so doing we would seriously jeopardize our national security or create serious unemployment. I'm also asking that all new or renegotiated Federal contracts which contain price escalation clauses should reflect the principle of deceleration.

We must cut the inflationary costs which private industry bears as a result of government regulations.

Last month I directed executive regulatory agencies under my control to minimize the adverse economic consequences of their own actions. I'm determined to

eliminate unnecessary regulations and to ensure that future regulations do not impose unnecessary costs to the American economy. Our efforts to reorganize the Federal bureaucracy and to streamline the civil service, vitally important, will help us put the Government's house in order.

I support "sunset" legislation to ensure that we review these regulatory measures and programs every few years and eliminate or change those that have become outdated.

I also urge congressional budget committees to report regularly to the Congress on the inflationary effect of pending legislation, much as the Council of Economic Advisers and the Council on Wage and Price Stability do to me now.

The combined actions of my administration and the Civil Aeronautics Board have already led to substantial cuts in some airline passenger fees. Despite the opposition of private interests, the airline regulatory reform legislation must be enacted this year. We are also reexamining excessive Federal regulation of the trucking industry, an effort which may result in increased efficiency while reducing freight transportation costs and retail prices.

In addition, I'm asking the independent regulatory agencies to try to reduce inflation when they review rate changes and to explore regulatory changes that can make the regulated industries more efficient.

Last fall, major new legislation was passed which will improve economic conditions for farm families, and we've announced additional administrative action to raise farm income this year.

Unfortunately, the Senate has just passed a bill that would raise food prices by 3 percent and the overall cost of living by four-tenths of 1 percent, would shatter confidence in the crucial export markets for America's farm products, create

havoc with the administrative machinery of the Department of Agriculture, and cripple American farm families through increased costs. It's bad for farmers, it's bad for the consumers, it's bad for our Nation.

I will veto any farm legislation, beyond what I have already recommended, that would lead to higher food costs or budget expenditures.

Housing construction rates have been running about 2 million a year, and this has caused costs to go up rapidly, partly because of sharp increases in the prices of raw material, such as lumber. Since lumber accounts for about one-fourth of the cost of a new house, we can obtain some relief by increasing production and using our existing lumber output more efficiently. Therefore, I've instructed the Departments of Agriculture and Interior, the Council on Environmental Quality, and also my economic advisers, to report to me within 30 days on the best ways to sustain expanded timber harvests from Federal, State, and private lands, and other means of increasing lumber yields in ways that would be environmentally acceptable, economically efficient, and consistent with sound budget policy.

Daily hospital costs have jumped from \$15 in 1950 to over \$200 today. And physicians' fees have gone up 75 percent faster than other consumer prices.

It's very important that Congress act now on the proposed hospital cost containment bill as the most effective means that we can take toward reasonable hospital prices. Failure of Congress to act on the hospital cost containment legislation will cost the taxpayers of our country more than \$18 billion in needless Government spending over the next 5 years.

Together with the airline deregulation bill, this is one of the two most important

measures the Congress can pass to prevent inflation.

These measures so far have been delayed by the opposition of powerful lobbying groups. I will continue to give this legislation my full support, and I call on the leaders of Congress to do the same.

Such Government actions as I've discussed briefly can be important steps toward controlling inflation. But it is a myth that the Government itself can stop inflation. Success or failure in this overall effort will be largely determined by the actions of the private sector of our economy.

I expect industry and labor to keep price, wage and salary increases significantly below the average rate for the last 2 years. Those who set medical fees, legal and other professional fees, college tuition rates, insurance premiums, and other service charges must also join in. This will not be easy. But the example of Federal action must be matched. Inflation cannot be solved by placing the burden of fighting it only on a few.

The Council on Wage and Price Stability recently began a series of meetings with representatives of business and of labor in major industries such as steel, automobiles, aluminum, paper, railroads, food processing, communications, lumber, and the Postal Service. In consultation with these private parties and others, the Council will identify the rate at which prices, wages, and other costs have been rising in recent years, the outlook for the year ahead, and the steps that can be taken to reduce inflation.

Let me be blunt about this point: I am asking American workers to follow the example of Federal workers and accept a lower rate of wage increase. In return, they have a right to expect a comparable restraint in price increases for the goods and services they buy.

Our national interest simply can't withstand unreasonable increases in wages and prices. It's my responsibility to speak out firmly and clearly when the welfare of our people is at stake.

Members of my administration have already discussed this deceleration program with a number of leaders of labor, business, and industry. Many have already promised their cooperation.

Later, I expect to meet with business and labor leaders to discuss contributions that they can make to help slow the rate of inflation. One of the most important contributions that they can make is to show that restraint applies to everyone—not just the men and women in the assembly line but also the managers in the executive suites. Just as I will freeze the pay of the top executives in the Federal Government, the American people will expect similar restraint from the leaders of American business and labor.

I'm determined to devote the power of my office toward the objective of reduced inflation. Our approach must be flexible enough to account for the variations in our complex economy, but it must be comprehensive enough to cover most of the activities of our economy.

In the long run, we should develop special programs to deal with individual sectors of the economy where government actions have the greatest potential for reducing inflation. These include housing, medical care, food, transportation, energy, and the primary metals industry.

The members of my Cabinet will work individually and also with the Council on Wage and Price Stability to develop and to announce early action to reduce inflation within their own areas of responsibility.

To accomplish our deceleration goals in the private sector, I'm asking my Special Trade Representative, Robert Strauss, to take on additional duties as a special

counselor on inflation. He will work directly with me, with Treasury Secretary Blumenthal, my chief financial spokesman, with Charlie Schultze, the Chairman of the Council on Wage and Price Stability, and its Executive Director, Barry Bosworth. He will have specific authority to speak for me in the public interest and will be a member of the Steering Committee of the Economic Policy Group under the chairmanship of Secretary Blumenthal.

Reducing the inflation rate will not be easy, and it will not come overnight. We must admit to ourselves that we will never cope successfully with this challenge until we face some unpleasant facts about ourselves, about the solutions, and about our problems.

The problems of this generation are, in a way, more difficult than those of a generation before. We face no sharply focused crisis or threat which might make us forget our differences and rally to the defense of the common good.

We all want something to be done about our problems, except when the solutions affect us. We want to conserve energy, but not to change our wasteful habits. We favor sacrifice, so long as someone else goes first. We want to abolish tax loopholes, unless it's our loophole. We denounce special interests, except for our own.

No act of Congress, no program of our Government, no order of mine as President can bring out the quality that we need: to change from the preoccupation with self that can cripple our national will, to a willingness to acknowledge and to sacrifice for the common good.

As the Nation prepared for the challenge of war nearly 40 years ago, Walter Lippmann addressed these words to the American people, and I quote from him: "You took the good things for granted," he said. "Now you must earn them

again. It is written: For every right that you cherish, you have a duty which you must fulfill. For every hope that you entertain, you have a task that you must perform. For every good that you wish could happen . . . you will have to sacrifice your comfort and ease. There is nothing for nothing any longer."

These words of admonition certainly apply to us now.

Thank you very much.

NOTE: The President spoke at 1:31 p.m. in the International Ballroom West at the Washington Hilton Hotel. His remarks were broadcast live on radio and television.

In his opening remarks, the President referred to Eugene C. Patterson, outgoing president of the society, and John Hughes, who is replacing Mr. Patterson.

## THE PRESIDENT'S NEWS CONFERENCE OF APRIL 11, 1978

EUGENE C. PATTERSON. Mr. President, we would like to request that you respond to questions of the members of ASNE, and I will recognize John Hughes of the Christian Science Monitor to ask the first question.

### ADMINISTRATION POLICIES

MR. HUGHES. Mr. President, whatever the reaction to your economic speech here today, it seems clear that this administration faces a continuing image problem. You, sir, came into office with an image of freshness, with promises of efficiency and reform, and above all, with promises to run an open administration, close to the public. But after 15 months, the polls seem to indicate declining public hope in your administration.

Some of our newspapers criticize you for being indecisive and above all had said that the Presidency, far from being open, is increasingly dependent on a small group of intimate advisers.

Whether these charges are fair or unfair, sir, are you concerned by this dramatic shift in image, and if so, how do you hope to redress the situation?

THE PRESIDENT. Well, I don't agree that there is a dramatic shift in image. I think the poll results have been fairly stable for the last 4 or 5 months. And as has been the case with previous Presidents, after the flush of victory is over and the very difficult responsibilities descend on the shoulders of a President, the high expectations of the people that the problems would be resolved overnight tend to cause a deterioration in public expectancy and sometimes a feeling of discouragement.

We have deliberately addressed some of the more difficult and intransigent, even historic, problems of our country. And we are having, I think, good progress in resolving most of these problems.

In domestic affairs, we've begun to reorganize the Government. Every proposal that I put to the Congress so far has been accepted. We formed a new Department of Energy. The Congress has now been working for 12 months on a comprehensive energy policy.

These are the same matters that were addressed when Harry Truman was President back in 1948—deregulation of natural gas, dealing with excessive energy consumption. They are extremely controversial, very difficult.

We've put forward our proposals on economic stimulus. And I believe that last year we achieved a remarkable degree of success in meeting the goals that we had set for our administration, with unemployment dropping drastically, as

I've already pointed out, inflation holding steady, good economic growth.

We've, I think, helped to revitalize the interest not only of our own country but our European allies in the strength of NATO, a recommitment to a long-range military program that will recommit that Alliance.

We are dealing with a very difficult Middle East problem. And I think if anyone would take an inventory of what did occur a year ago, what circumstance did prevail, the progress that has been made—although success is still doubtful—is notable.

We are making good, steady progress on the SALT negotiations, a subject that has been a matter of public international debate for decades. I think that we have a good prospect this year of having a success in that respect. For the first time, we are addressing actual reducing the number of atomic weapons held by ourselves and the Soviet Union.

We are making good progress along with the British and the Soviets with a comprehensive test ban, for the first time prohibiting, if we are successful, the testing of any atomic explosions, either military weapons or peaceful devices, an unprecedented attempt at a very difficult subject.

I think it's accurate to say that a year or so ago, almost everyone felt that the nuclear genie was out of the bottle, that many of the nations that don't have atomic explosive capability were on the verge of achieving it through the free sale of reprocessing plants around the world. I think that's now been stopped.

I think our effort to put forward an image of our country that would give us a source of pride in human rights has had a profound impact around the world. I don't think there's a single leader of a nation anywhere that's not now con-

stantly aware of the question of "how my country, how my actions are measuring up against international standards in preserving basic human rights."

So, we've got a lot of things that we haven't yet solved. We are trying to deal with them—energy, inflation, continued government efficiency, welfare reform, tax reform. But I think the Congress has had a notable achievement.

I feel at ease with the job, I've enjoyed it. I roll easily with the punches of criticism, whether I think it's deserved or not deserved. Our poll status is holding steady at this point. And I think with a few successes, which I do predict, maybe the polls would even go up a little.

So, I think in general, I could characterize our administration as dealing with some of the most difficult questions that face our Nation without restraint and without attention being given to the political consequences of possible failure, and I believe that the successes in the future will prove that we were right. I'll keep the other answers briefer.

MR. HUGHES. I think my colleague from Boston, Mr. Winship, might like to take that a little further.

THE PRESIDENT. Tom, good to see you.

#### VIEWS ON THE PRESIDENCY

MR. WINSHIP. I can't resist saying how satisfying it is to all of us to finally see you live, if it were, at an ASNE convention. As you remember, I think we had a couple of encounters, rather shaky telephonic communications, once from the opposite sides of a picket line in Washington and once from Honolulu. And it's nice to see you here.

My question: You've been in office 15 months, roughly. How comfortable do you feel in the job, what is your biggest surprise that you've encountered in this



job, and do you definitely plan to run for reelection?

THE PRESIDENT. The answer to your last question is no, I don't definitely plan to run for reelection. I've not addressed that question at all.

Secondly, my biggest surprise—I guess you mean in the nature of a disappointment—I think I have found that it's much easier for me in my own administration to evolve a very complex proposal for resolving a difficult issue than it is for Congress to pass legislation and to make that same decision.

The energy legislation is one example. I never dreamed a year ago in April when I proposed this matter to the Congress that a year later it still would not be resolved. I think I've got a growing understanding of the Congress, its limitations and its capabilities, and also its leadership, which was a new experience for me altogether, never having lived nor served in the Federal Government in Washington.

As far as my attitude toward the job is concerned, I like it. I've got a good staff. We have now evolved, I think, a good means by which we address major issues and let everyone's views be known. We sometimes have, contrary to what Mr. Hughes said, too open an examination of our debate process and decisionmaking process, where the news media quite often takes a preliminary proposal by a Secretary or a matter that we are considering as a final judgment, and I only make one judgment, which is then released to the press. That's been a problem for us. I think I've got an outstanding Cabinet. After this first 15 months, there is none on the Cabinet that I would have preferred to have changed. I'm very satisfied with them. I hope they're also satisfied.

So, I like the job. I feel at ease with it. I'm doing the best I can with difficult problems. All Presidents have shared

them. And I think, compared to my predecessors, we've done okay.

#### WAGE AND PRICE CONTROLS

Q. Mr. President, I'm Abe Rosenthal, the New York Times. In your speech you've taken a position against imposed wage and price controls.

THE PRESIDENT. Yes.

Q. And yet in your speech, you yourself impose wage controls on the Federal part of the work force. That's not very voluntary. And you also talk about a Federal pricing policy. Do you have any mental tripwire at which point you will say that this country must have an imposed wage and price control policy, that the inflation has gone too high and that voluntarism simply has not worked?

THE PRESIDENT. No, I do not. I think even if inflation should continue to escalate and reach a very high level, that wage and price controls, mandatory wage and price controls, would be ill-advised and also counterproductive. I don't think they would work. The only instance in which I can think wage and price controls might be applied would be a case of national emergency, like an all-out war, some tragedy of that kind, where normal economic processes would not be at work.

I don't think that my dealing with the wages of people that I appoint or whose executive management is my responsibility is under the category of wage and price controls. I think that the normal processes of wages will be observed, and I hope that the Federal Government can break the deadlock that now exists between the private and public sector by setting an example.

I think that what I have proposed in the top executives in my own staff members having no increases this year, and a 5½-percent increase for the white-collar

workers of the Federal Government, is reasonable. But I can't imagine any circumstance under which I would favor mandatory wage and price controls.

#### WAGE AND PRICE GUIDELINES

Q. Mr. President, Dick Harwood with the Washington Post. To further clarify your remarks on this question of wage and price restraint, are you proposing that the 5½ percent should be a standard for private wage settlements this year? And are you proposing any numerical ceiling or guideline on price increases?

THE PRESIDENT. No, the level that I have set as a target for the private sector—and it's a voluntary compliance provision—is to take the increases for the last 2 years and have the 1978 increases be less than that 2-year average. And that would apply to both prices and wages. Once we turn the corner on inflation and start with a slight downward trend instead of a continued upward trend, I think we'd have a very healthy result throughout the country without anyone suffering.

As I pointed out, all of us anticipate continued inflation. We make our plans accordingly and therefore perpetuate the inflation rate. There's an underlying inflation rate that has existed in our country now for a number of years of 6 to 6½ percent. I certainly don't want to see that underlying inflation rate increase. I would like to bring it downward, and we've set that as a goal for ourselves.

Last year we met this goal, both in inflation and also in the unemployment rate, and also in national growth rate. But I think that if everyone would voluntarily comply with the standard that I've described to you, it would be an extremely beneficial thing to our country, and no one would suffer in the process.

#### TUITION TAX CREDITS

Q. Mr. President, Christy Bulkeley, Danville, Illinois, Commercial News. You expressed concern about the tuition tax credits that are in Congress.

THE PRESIDENT. Yes.

Q. Do you intend to veto the bill if it reaches you as proposed, or do you see an acceptable level of tuition tax credits?

THE PRESIDENT. My present intention would be to veto any bill that was costly and which was unconstitutional. All of the proposals that I have seen in the Congress so far are both costly and unconstitutional, particularly as they apply to elementary and secondary schools. But until I see legislation actually on my desk, I couldn't give you a firm commitment that I would veto it. But unless those two provisions are corrected, that I've just described as potential defects, then I would veto it.

Q. The second question I asked was, do you see a possible compromise on a level that you would consider acceptable?

THE PRESIDENT. No, I don't favor tuition tax credits under any circumstance, even if it was at a very slight level, because this would inevitably rapidly grow with each succeeding budget; and the first thing that you know, tuition tax credits would be the major Federal expenditure for all education in the United States. And so, I think that tuition tax credits itself, as a subject, is very detrimental to the future of education in our country.

It gives the credits to those who need them least, and it makes the average parent who is a working class person, particularly who has his children in public schools, pay for high tax benefits for families in a higher tax group who have their children in private schools. So, I think the

whole concept is fallacious, and I don't like it.

SOCIAL SECURITY FINANCING

Q. Mr. President, Jim Squires with the Orlando Sentinel Star. You did not mention a possible veto of the rollback in Congress of social security taxes. And there is a report that you might accept that rollback if it were tied to a proposal that would levy a crude oil tax and devote the revenue to financing the social security project.

Could you tell me if that report is true and if you would veto the bill if it passes in its present form?

THE PRESIDENT. Well, I've made it clear to the congressional leadership in the House and the Senate that I do not favor any modification in the social security laws or financing structure this year.

The Congress, I think last year, very courageously passed social security legislation that would bring order out of chaos and put the social security reserve funds back on a sound basis for 25 or 30 years in the future. They were on the verge of bankruptcy. Also, those who are particularly affected with higher social security payments, beginning next year—not this year, by the way—are those in a higher income group who will have their retirement benefits increased.

The tax reform proposals and the tax reduction proposals submitted to Congress this year will in almost every instance more than compensate for any increase in social security payments.

So, for all those reasons, I do not favor any social security legislation this year. I can't say unequivocally that I would veto any such measure that came to my desk. My guess is that the furor that was originally raised about social security benefits, after more careful examination by the

American people and the news media, has now ceased to be a burning issue. And my prediction is that the Congress will not send to me any legislation on social security.

Q. Do you see any possibility of compromise with the energy bill, of a tie between those two?

THE PRESIDENT. Not at this moment, I don't.

MINORITY GROUP OPPORTUNITIES

Q. Mr. President, I'm Bob Haiman from the St. Petersburg Times, St. Petersburg, Florida. Mr. President, this is the tenth anniversary of the report of the Kerner Commission on race problems in America. And those who look at that report and its allegations and what's happened since '68 are inclined to believe that there's been some progress for black Americans, but not much. The Carnegie Corporation, in trying to account for why we still seem to be moving toward two separate and unequal societies in this country, last night issued a report which said—very briefly, one sentence—and I quote, "It's because there seems to be no leader who is capable of evoking the nation's latent sense of conscience and mobilizing it to action."

My question, sir, is, could you be that leader, should you be that leader, are you that leader, and if you are, then how do you plan to lead?

THE PRESIDENT. I think it's incumbent on a President to speak for the Nation and particularly to speak for those citizens of our Nation who are deprived, who are needy, who are poor, who are non-influential, who are inarticulate, and who suffer because of the past discriminations that have fallen upon black people and other minority groups, and who still have their own families devastated by poverty

and unemployment out of all proportion to their percentage of the national population.

We have increased greatly the economic benefits, at least the job opportunities of minority groups since I've been in office, not only in the appointments that I've made to major leaders for positions of executive authority but in other ways.

For instance, we set as a goal for the first year of our administration to have more than \$100 million in Federal deposits in black-owned banks, minority-owned banks. We've reached that goal. The Congress passed legislation requiring that in the public works program, a \$4 billion program, that 10 percent of this money be spent with businesses owned by minority stockholders as a dominant stockholding group. That goal has been exceeded.

We have now proposed to the Congress—and I predict immediate passage, no delay—a complete reorganization of the equal employment opportunity functions within the Federal Government. We are struggling to bring up the unemployment [employment] rate among minority citizens. And I think that in the housing area, in our urban policy program that we just put forward, all these things have been done.

So, to measure my own effectiveness as a leader in this respect is something that I am not able to do. I don't think we've achieved notable success as yet. But I think I, combining my voice with congressional leaders, those in private business, the minority organization leaders who are very evocative and very effective, the sum total of that, plus, obviously, editorial support from all of you, can make a difference.

My own belief is that minority groups have prospered in this country the last 10

years, compared to their previous circumstances. But they have a long way to go, and I feel responsible to make sure that they go that long way toward equality of opportunity in our country.

#### U.S.-CHINESE RELATIONS

Q. Mr. President, Bud Smyser from the Honolulu Star-Bulletin. I would like to ask about your China policy and about Taiwan in particular.

The present Peking Government says that it will not use force in the near term to settle the Taiwan question, but it will not rule out the use of force for the indefinite future. Does this reservation by Peking pose an insurmountable obstacle to our full diplomatic recognition of Peking?

THE PRESIDENT. I would not acknowledge any insurmountable obstacle in reaching the goals expressed in the Shanghai Communique, which is binding on us—and which I fully support—and binding on the People's Republic of China leaders. We recognize the concept that is shared in Taiwan and on the Mainland that there's only one China. We recognize that it's for the best interests of our own Nation to have full diplomatic relationships with China. And my hope is that over a period of months—we are not in any big hurry; neither are the People's Republic of China leaders—that we will completely realize the hopes expressed in the Shanghai Communique.

#### ENERGY CONSERVATION

Q. Mr. President, Al Fitzpatrick from the Beacon Journal in Akron, Ohio. You mentioned in your speech that conserving energy and that we all ought to conserve energy. I think many people have done just that. But how does one justify saving energy when those monthly utility bills continue to rise?

THE PRESIDENT. Well, I think the rising monthly utility bills is an additional incentive to save energy, and not a contrary factor. Obviously, when we consume more energy than we produce in our country, it means that there's a pressure on limited supplies and competition for those available supplies, and the prices go up. As the price of coal and oil go up to the consuming homeowner, they also go up to the utility companies that produce electric power.

Many utility companies around this Nation have an automatic escalator clause where, without any approval by the regulatory agency in a State, they can pass on those increased fuel costs to the consumer. Obviously, the more we can hold down our consumption of energy, the more we can save on our monthly fuel bills and the more we can hold down the increase in oil, natural gas, and coal prices.

One of the additional problems with the lack of conservation is that we've now increased our oil exports [imports] to \$45 billion a year, and they comprise about 50 percent of all the oil we use. If we should have—and heaven knows, I hope we never have—another oil embargo where those supply interruptions would afflict our Nation, it would be a much more serious problem to our national security, to our own economic prosperity, and, even, national existence than it was back in 1973, when that temporary interruption took place.

So, we've got to do at least two major things, among others: Each one of us conserve the energy that we consume by every possible means; and second, to increase the production of available supplies in our country of energy—coal, which can last several hundred years, and particularly those replenishable supplies derived from wood, from solar sources, from geothermal supplies, and so forth.

## SECRETARY OF AGRICULTURE BERGLAND

Q. Jean Alice Small, the Daily Journal, Kankakee, Illinois, Mr. President. Recently it was reported that the Secretary of Agriculture Bergland is considering resignation from his Cabinet post because of your position on agriculture and the farm bill. May I ask if this is true? And in reference to your Cabinet, do you plan to make any Cabinet changes in the near future or after the election?

THE PRESIDENT. That report was absolutely erroneous. There was no basis for it at all. There has not been any difference of opinion between myself and Bob Bergland about agricultural policy. At the Cabinet meeting Monday morning, Bob Bergland said that, as was the case when Mark Twain said the report of his own death had been exaggerated, that he had never contemplated resigning from the Cabinet. And as a matter of fact, if Bob Bergland and I have ever disagreed on a basic agricultural policy, I'm not aware of it.

I contemplate no changes in my Cabinet. Nothing would please me better than to finish 4 years with the same Cabinet I presently have.

Q. Thank you for straightening it out.

## FBI INDICTMENTS

Q. Mr. President, Bailey of the Minneapolis Tribune. Sir, the Attorney General said yesterday that 68 FBI agents will be disciplined but not prosecuted in connection with the burglary indictments, conspiracy indictments that were handed down yesterday.

Two questions related to that: Will the names of those 68 agents and the discipline applied be a matter of public record; and second, the decision not to prosecute them apparently was based on the theory that they were following orders.

I wondered whether you regard that as an appropriate reason for deciding not to prosecute a law enforcement officer who violates the law?

THE PRESIDENT. I don't know whether or not they will be, whether their names will be made public. I'll have to ask the Attorney General about this. I don't know the legalities of it. I think that Griffin Bell made the right decision. He made it on his own—without consultation with me, by the way—to prosecute the ones who issued the orders.

Obviously there are some instances in the military and otherwise when a heinous crime, when committed by someone under orders, should be punished. But I think in this case the Attorney General made the right decision.

MR. PATTERSON. Thank you, Mr. President.

NOTE: President Carter's twenty-ninth news conference began at 1:56 p.m. in the International Ballroom West at the Washington Hilton Hotel. It was broadcast live on radio and television.

## United States Circuit Judge Nominating Panel for the Eighth Circuit

*Appointment of the Membership of the Panel.  
April 11, 1978*

The President today announced the membership of the United States Circuit Judge Nominating Panel for the Eighth Circuit.

The Panel will submit to the President the names of five persons qualified to fill the vacancy created by the appointment of Judge William Webster as Director of the FBI. The President has asked that the candidates recommended be from Missouri.

The members of the Panel are:

LAWRENCE HAYES, a St. Paul, Minn., attorney (Chair);  
PHILIP S. ANDERSON, a Little Rock, Ark., attorney;  
ELAINE BAXTER, a law student and civic activist from Iowa City, Iowa;  
DEVERNE LEE CALLOWAY, a Missouri State legislator and chair of the Missouri House Education Committee;  
A. ARTHUR DAVIS, an attorney in Des Moines, Iowa;  
SANDY HALE, Minneapolis civic leader;  
BETTY JEANNE HOLCOMB, a Lincoln, Nebr., attorney and editor for a television station there;  
ERNEST HUBBELL, a Kansas City, Mo., attorney;  
FRANK E. JESTRAB, an attorney in Williston, N. Dak.;  
STANLEY SIEGEL, an Aberdeen, S. Dak., attorney;  
ANN CARTER STITH, of St. Louis, Mo., a member of numerous commissions, boards, and committees, dealing with criminal justice and corrections.

## Visit of President Nicolae Ceausescu of Romania

*Remarks at the Welcoming Ceremony.  
April 12, 1978*

PRESIDENT CARTER. This morning the people of the United States are honored by having as our guest a great leader of a great country. President Ceausescu comes here from Romania with his wife, Elena, and it is a great personal pleasure for me on behalf of our country to welcome them.

This is the fourth visit by President Ceausescu to the United States, and my predecessors have honored themselves by visiting the nation of Romania.

It's accurate to say that in the last 10 years or more, the friendly relationships between the United States and Romania

have increased and improved rapidly to the satisfaction and to the benefit of our people.

Trade between our two countries in the last 10 years has been multiplied 10 times over. And because of the rapidly improving relations that still exist, we expect the volume of trade to more than double in the next 3 years.

It's also of great benefit to me as President to have a chance to consult with a national and an international leader like our guest today. Their influence as Romanian leaders throughout the international world is exceptional. Because of the strong commitments of the President and the independence of the people, Romania has been able to serve as a bridge among nations with highly divergent views and interests and among leaders who would find it difficult under some circumstances to negotiate directly with each other.

One recent notable achievement of President Ceausescu was to be instrumental in arranging the historic visit of President Sadat of Egypt to the capital of Israel in Jerusalem. Both of those countries have found in Romania an avenue of communication and understanding that's been very valuable to them, to the Middle East, and to world peace.

There are differences, obviously, between the United States and Romania, in our political system and also in our military alliances. But the factors which bind us together are much more profound and of much greater benefit to our countries. We share common beliefs. We believe in strong national sovereignty. We believe in preserving the independence of our nations and also of our people. We believe in the importance of honoring territorial integrity throughout the world. We believe in equality among nations in bilateral dealings, one with another, and also in international councils. We believe in the right of every country to be free from interference in its own internal af-

fairs by another country. And we believe that world peace can come—which we both devoutly hope to see—through mutual respect, even among those who have some differences between us.

Our goals are also the same, to have a just system of economics and politics, to let the people of the world share in growth, in peace, in personal freedom, and in the benefits to be derived from the proper utilization of natural resources.

We believe in enhancing human rights. We believe that we should enhance, as independent nations, the freedom of our own people. And Romania has been instrumental in pursuing the goals of the Helsinki conference, in particular, building the mutual confidence factors that can let the nations of Eastern Europe and the nations of Western Europe understand one another better and build up legitimate trust through that understanding.

We also believe in a common goal—which President Ceausescu has endorsed forcefully and publicly—in the principle of world disarmament, based on mutually beneficial agreements and based on an enhanced prospect for peace.

Mr. President, Mrs. Ceausescu, on behalf of the American people, I want to extend my expression of honor that you are here and the warmest welcome to the United States.

Thank you very much.

PRESIDENT CEAUSESCU. *Mr. President, esteemed Mrs. Carter:*

It is with particular pleasure that myself, my wife, and the associates accompanying me are visiting again the United States at the kind invitation extended by you, Mr. President, and by Mrs. Carter.

I should like to begin by addressing to you and to the people of America the warmest greetings of the people of Romania, who are most desirous to entertain and develop friendly relations and cooperation with the great people of the United States.

Our visit here takes place at a time when the relations between Romania and the United States have seen continuous progress. Indeed, in the last 10 years, there was a significant growth in our economic exchanges, which have increased almost 10 times over, as well as in our cooperation in the field of science, culture, and in the exchange of citizens between our two countries.

I do hope that in the course of our talks these days we shall be able to identify new opportunities, so that in the forthcoming years we shall make even more significant progress in our relationship, in full accord with the basic interests of our two nations and with the interests of cooperation and peace throughout the world.

It is true, as you mentioned, sir, that our two countries have different social systems. But I believe that in the world of today this should not be an obstacle in the way of more active cooperation in all fields, based on mutual respect of each country's independence and sovereignty, renunciation of the use or threat of force, and mutually advantageous cooperation.

I would like to mention with satisfaction, as well, that it is precisely on that basis that the relations between Romania and the United States have been established and are now developing.

So, Mr. President, I think we can be satisfied with the present level of the relations between our two countries. As for the state of international affairs, unfortunately we are still facing events which are both complex and complicated.

The world is now confronted with severe economic problems. In many areas of the world there are still conflicts, and threatening clouds are menacing the peace of the world with very severe consequences.

In the face of this situation, it is now necessary for all countries, irrespective of

their size, of their military might, of their social system, to take action and to uphold the principles of peaceful coexistence in order to build a kind of cooperation based on equal rights and mutual respect, and to ensure to each nation the right to develop in freedom without any outside interference.

As participants and signatories of the Helsinki documents on European security, both Romania and the United States are working for the implementation of those documents, which we both see as one whole in the economic, cultural, scientific, humanitarian fields, as well as in the field of military disengagement.

Unfortunately, at Belgrade, no significant progress was made. That is why we believe it necessary now that before our next meeting in Madrid, new efforts should be made in order to meet the peoples' aspiration for peace and cooperation.

It is also true that no effort should be spared in order to bring peace to the Middle East, leading to the withdrawal of Israel from the territories occupied as a result of 1967 war, the settlement of the Palestinian question, including the establishment of an independent Palestinian state, and by guaranteeing the independence, sovereignty, and integrity of all the states in the area, which should establish their relations on the principles of good neighborly relations and cooperation.

We would like to work together closely on such matters as disarmament. We are hopeful that at the forthcoming Special Session of the United Nations General Assembly, practical results will be worked out, leading to actual disarmament and, in particular, nuclear disarmament, enabling us thus to build a world of cooperation and peace for all.

Although the United States is a developed country—I would say a highly de-



veloped country—and Romania is still a developing one, such problems as the elimination of underdevelopment and the establishment of a new international economic order are matters of equal concern for both our countries, because without ensuring new relations, new democratic relations based on equal rights and mutual advantage, we shall not be able to eliminate underdevelopment and to ensure economic stability and progress to the world.

It is also true that there are many problems on which our two countries can well work together, and with good results, too. And I hope that our talks will further strengthen the basis for our mutual cooperation, aimed at meeting their common interests of our two nations and also meeting the aim of a better world, a world with more justice, in which each and every people should be able to dedicate their efforts to their happiness, to their well-being, to their freedom.

It is my conviction that all this will come true. And once again, I should like to express my wish to see good cooperation develop between our two nations and our wish to the friendly people of America every success and peace.

NOTE: The President spoke at 10:45 a.m. on the South Lawn of the White House. President Ceausescu spoke in Romanian, and his remarks were translated by an interpreter.

## River Basin Commissions

*Message to the Congress Transmitting Six Reports. April 12, 1978*

*To the Congress of the United States:*

I am happy to transmit the annual reports of the six river basin commissions, as required under Section 204(2) of the Water Resources Planning Act of 1965.

The Act states that commissions may

be established, comprised of state and federal members, at the request of the governors of the states within the proposed commission area. Each commission is responsible for planning the best use of water and related land resources in its area and for recommending priorities for implementation of such planning. The commissions, through efforts to increase public participation in the decision process, can and do provide a forum for all people within the commission area to voice their ideas, concerns and suggestions.

The commissions submitting reports are New England, Great Lakes, Pacific Northwest, Ohio, Missouri and Upper Mississippi. The territory these six cover include parts or all of 32 states.

The enclosed annual reports indicate the activities and accomplishments of the commissions during Fiscal Year 1976. A brief description of current and potential problems, studies and approaches to solutions are included in the reports.

JIMMY CARTER

The White House,

April 12, 1978.

NOTE: The reports are entitled "New England River Basins Commission, 1976 Annual Report," "Great Lakes Basin Commission 1976 Annual Report," "Pacific Northwest River Basins Commission Annual Report, Fiscal Year 1976," "Ohio River Basin Commission 1976 Annual Report, Including Transition Period," "Missouri River Basin Commission Annual Report, Fiscal 1976 and Transitional Quarter," and "Upper Mississippi River Basin Commission."

## President's Commission on White House Fellowships

*Appointment of Ann S. Ramsay as a Member. April 12, 1978*

The President today announced the appointment of Ann S. Ramsay as a

member of the President's Commission on White House Fellowships. She replaces Julia V. Taft, who has resigned.

Ramsay, 35, is deputy secretary of the Commonwealth of Massachusetts and chairman of the White House Fellows Association. She was a White House Fellow in 1972-73.

THE PRESIDENT. We're making some progress, I think.

NOTE: The President spoke at 6:50 p.m. to reporters assembled in the Briefing Room at the White House.

Earlier in the day, the House of Representatives had failed to approve the conference report on H.R. 6782 by a vote of 268 to 150.

## Emergency Agricultural Legislation

*Remarks on House of Representatives Action on H.R. 6782. April 12, 1978*

THE PRESIDENT. As President, I'm very happy to hear that the House of Representatives has defeated by a strong majority the agriculture bill conference report. This is good for the farmers of the United States and also very good for the consumers.

This bill would have damaged very severely our Nation's export markets. It would have been a heavy blow against the livestock producers of this country. It would have been almost impossible to administer and would have added \$6 billion to the Federal budget and would have put us in the double-digit inflation category in food prices.

So, the courageous action that the House has taken this afternoon is an encouraging sign that the Congress has joined in with me and will cooperate in holding down the inflation that has been of such great concern to all of us.

This is good for our farm policy. It's good in holding down inflation. It's a very encouraging sign of cooperation between the Congress and the White House in dealing with the Nation's very important problems.

Thank you very much.

REPORTER. Anything on energy?

## Visit of President Ceausescu of Romania

*Toasts at the State Dinner. April 12, 1978*

PRESIDENT CARTER. I think it's the guests that we have, but I believe the Strolling Strings sounded better tonight than any time I've ever heard them, and I want to thank you for bringing out the best in them. I thought it was just very wonderful.

How many of you here either came from a foreign country to our Nation or had your parents or grandparents come from a foreign country? Raise your hand, if you would.

Mr. President, you can see more than half. It's obviously more than half of the people here who have come to the United States from a foreign country, most of you from Europe. And I think this in itself demonstrates vividly to our distinguished guest how close the ties are between our Nation and his and those nations that are neighbors of his.

We are indeed honored to have all of you here tonight, and particularly honored to have President Ceausescu and his wife, Elena, and the distinguished ministers of his government come to visit the White House, the First Family of our country, and the people of the United

States. Mr. President, you are welcome to our country.

We paid him a special honor today, perhaps unprecedented in the history of our Nation. We played two different national anthems to Romania—[laughter]—the incorrect one this morning and the correct one tonight. And I think this gives us an excellent opportunity to judge the tremendous progress that has been made in Romania—[laughter]—because I like the one tonight much better, Mr. President.

It's always an exciting thing for us to have distinguished leaders from other nations come to visit us, and we always like to put our best foot forward and not only entertain our guests but to let them know what a great country we have.

I was particularly eager to impress the President's wife tonight, because she, on her own, is a distinguished scientist, a chemist, has done great research work. And I was very careful to place on her left someone who could speak her language about science and about whom I could brag as a distinguished American to show how superior our country was. As a matter of fact, Dr. Palade<sup>1</sup> is a Nobel laureate, and I wanted to let Mrs. Ceausescu know how advanced we were in training Americans to win the foremost prize in all the world. So, I was explaining it to her very carefully, and in the middle of my very proud dissertation, he pointed out to me he was born, raised, and trained in Romania. [Laughter] So we learned a lot about each other.

I've had a delightful day with the President of this great country. I think it's accurate to point out that as the leader of his great nation, he's not only brought tremendous progress to Romania but also has taken on a role of leadership in the

entire international community that's notable.

He's been dedicated to the proposition that a nation was sovereign, that its territorial integrity should be honored, that its people should be independent, and that in spite of this complete commitment to the pride of one's own nation, that there should be bridges built, not only to other countries from your own but between other countries that have difficulty in communicating because of different political and economic organizations within their own countries.

He was one of the first leaders, I think, who saw the benefits, economically, politically, militarily, in détente, and he's been a foremost proponent in trying to bridge the gap between the Warsaw Pact nations and the NATO countries. He has a unique ability to relate easily to leaders of nations, regardless of their political commitment or orientation or background or history or conviction about the present or future status of their countries.

He's been very helpful to me and my predecessors in the White House in trying to bring messages directly from leaders with whom we don't communicate because of an absence of diplomatic interrelationships, and has provided a bridge for the easing of tensions and the better understanding on a worldwide basis.

As a member of the developing nations of the world, he's been able to be an evocative and a very effective spokesman in acquainting the industrial nations of the world about how we could interrelate more easily and more effectively with a group of countries who quite often are not well organized or not willing to sit down and calmly negotiate the way to alleviate the wide disparity in economic benefits.

He's the leader of one of the few Eastern European nations who is a member of the

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<sup>1</sup> 1974 laureate George Emil Palade.

Group of 77, now comprising about 95 countries. And I think this shows the breadth of his vision and the commitment that he has to bridge those gaps that I've just described.

We've got an excellent relationship with Romania. I think it's been growing steadily and on a very sound basis for the last 10 years or more.

This is the President's fourth trip to our country, and after he leaves Washington shortly, he'll be going to other places in the United States. He'll be going to Chattanooga, to Dallas, to Houston, to Orlando. He'll also be visiting New York. Unfortunately, he won't get to Georgia—[laughter]—on this trip. He's going to save that for dessert when he comes back on his next trip.

But he knows our country. He's studied it with a great deal of interest, and he's been one of the people who have made notable progress among other countries that are in the most intense disputes at this point.

I would say more than any other leader, certainly including myself, he was responsible for the historic visit of President Sadat of Egypt to Jerusalem and Israel.

By the way, the capital of Israel is Tel Aviv and not Jerusalem.<sup>2</sup>

And we have seen that this ability of his has paid rich dividends to us. Romania was one of those countries instrumental in evolving the Conference on Security and Cooperation in Europe, that we refer to in our country most often as the Helsinki agreement. And at Belgrade, which he described this morning as a disappointment, he was very eager to try to move forward to a much more substantive accomplishment that might be realized at

the next meeting, scheduled to be in Madrid.

We are very proud that the Helsinki conference agreement includes the Third Basket, which covers more deeply than ever before the question that is of profound importance to our country, that is, basic human rights. And we have an ability, President Ceausescu and myself, his ministers and mine, to discuss ways by which we might move, perhaps in different means and at different rates of advance, to bring about those basic human rights that our people so urgently need—the reunification of families and the basic freedoms that are important to us.

I've enjoyed being with him. He's a very good adviser. He's a man who in the past has suffered greatly, imprisoned, tortured, but because of his courage and because of his belief in the future of his own country, notable achievements have been brought to the people who have confidence in him.

It's a great pleasure for me again to express my welcome to him to our country, and I would like to propose a toast to a great leader, President Ceausescu, and to the brave and friendly people of Romania. Mr. President, to you and your people.

PRESIDENT CEAEUSECU. *Mr. President, Mrs. Carter, ladies and gentlemen:*

It is for myself, for my wife, and for the members of my party a reason of special pleasure to be your guests here tonight, to be again here in the United States, to meet again many citizens of your lovely country.

Today we had the first round of talks on a rather large sphere of problems, and we have also reached a number of common conclusions.

The first regards the need to establish broader cooperation between our two countries and to take more sustained ef-

<sup>2</sup> The President was correcting a portion of his remarks delivered earlier in the day during the arrival ceremony for President Ceausescu.

forts towards peace, towards more democratic international relations, and towards ensuring to each and every nation the right to live in freedom and to develop according to their own aspirations.

You said, Mr. President, that many people here in the United States have come from Europe or other parts of the world. I cannot boast that many Romanians have come from other parts of the world, because for almost 2,050 years—because in 1980 we are going to celebrate the 2,050th anniversary of the first centralized nation state in Romania—Romanians have been there, and they are going to stay there. They fought to be free, and they want to be always free.

In many ways the history of our two respective countries are different, and the present is also different from a number of viewpoints. The United States is a developed country and a big country. Romania is a smaller country and a still developing country. But it is our wish, by relying on the labors and efforts of our own people, to develop on broader lines, to gain access to modern science, to civilization, and to live a life of dignity, freedom, and independence.

I think that despite all differences, including differences in social systems, there are many things that can be common to our two countries and to our two peoples, and mainly our common wish for progress, our wish to see that the accomplishments of human genius are put in the service of happiness of all peoples. No doubt, also, we have a common determination to do everything we can in order to see to it that the wonderful achievements of science should not serve destruction and war, but the progress, well-being, and happiness of each people and of all peoples.

I think that that is precisely the supreme rationale of human existence, and

that is also the fundamental problem, the core of human rights—the right to be free, the right and the duty to respect the freedom of others, and the duty to work in such a way in order to enjoy himself or herself and let others enjoy the benefits of civilization.

Maybe on certain aspects of human rights we might have different philosophical concepts, and there is nothing wrong in that. But we in Romania set out from the premise that everything we do should serve the well-being of the people, should help all people live life with more dignity and more freedom. And we have a saying in Romania that the little we have, we should distribute fairly for all to enjoy.

You told me tonight, Mr. President, about your Presidential campaign in the early stages and how you really got elected President. It's wonderful that you could win over all obstacles, and now to have a farmer at the head of the United States, and also a farmer's son, and that I used to work in the fields, I used to work in factories, and we have there in Romania a farmer's son who has worked all his life with his hands, and he's now a President, too.

Maybe that helps our people also understand that whatever we do is for the people to benefit and for them to live life with more dignity.

As a matter of fact, if I remember right, either the first or the second President of the United States used to be a worker, and the founding father of scientific socialism, Marx, used to say and to quote that as an example of how a working man can rise to the highest dignity of office.

Now when we talk about human rights, it is good to remember all these things, because the rights of all human beings begin with the right to work, with the right to learn, with the right to have ac-

cess to culture, with the right to live in freedom, and also with the right to participate in the management of all national affairs without discrimination. And this also includes the right to have any creed, either religious or philosophical.

We endeavor to respect such rights fully, and we regard them as sacred. We think that everything should be done and no effort should be spared in order to have those rights asserted in all countries, so that they become a basis for equal cooperation among all nations.

That is why we take a stand against all wars and for disarmament, first of all for nuclear disarmament. That is why we believe that the world should cease to be divided into opposing military blocs and new relations should be built in a world without military blocs.

That is why we stand for a political solution in the Middle East. That is why we welcomed President Sadat's initiative, and now we are hopeful that his efforts will and the others will lead to a just and lasting peace in the area.

That is also the reason why we wish to see new relations established in Europe and the documents signed in Helsinki implemented in full.

As there are more baskets than one, we would wish that all should be implemented, and more progress should be made in particular on the military side of it, considering that in Europe, where many Americans of today have come from, we have to deal with the highest concentration of forces and modern armaments.

You know Europe. You know Europe is not such a big place, and little place is now left for anything but arms. So, we shall have to remove them to make place for people. That is why, while giving attention to the Third Basket, we should also give more attention to military disengagement and disarmament.

These are the same reasons why we support the liberation movements in Rhodesia and Namibia and the majority in South Africa, their right to be free, to decide their own future, and to participate in the management of their own affairs.

Finally, I shouldn't fail to mention the fact that two-thirds of mankind are poor, and one-third is relatively rich, because not all are rich in that one-third. That makes it necessary, in our view, to join the efforts with these people, with the developing nations, in order to secure their more rapid economic and social progress. Without this we can hardly say that all nations can enjoy the fruits of modern civilization.

We would certainly welcome with great satisfaction more active support from the United States to the solution of these worldwide problems, if more is done for this two-thirds of mankind that live in poverty. Of course, I have in mind not only the United States but all developed countries, all those who are able to take action in order to bring new solutions to the vital problems of mankind.

We know well that just a few countries, even if they are as big as the United States, cannot solve all these problems. What is needed is for all peoples, all nations to join their efforts in order to bring about solutions that would be up to the expectations and aspirations of all people. I am convinced that despite the difficulties, that all the nations of the world will be able to bring about new solutions to the problems we are facing and to build together a better world, a world with more justice.

We wish that our visit here and our talks together should help us identify new fields for cooperation between Romania and the United States, but at the same time should provide new opportunities for cooperation with a view to solving the problems that confront humanity today.

I should like to propose this toast for better cooperation between Romania and the United States, for a more democratic international policy. I wish the people of America prosperity and peace for all. To your health, President Carter, to the health of Mrs. Carter. We are looking forward to seeing you in Romania. To your health, everybody.

NOTE: The President spoke at 9:45 p.m. in the State Dining Room at the White House. President Ceausescu spoke in Romanian, and his remarks were translated by an interpreter.

## Visit of President Ceausescu of Romania

*Joint Declaration. April 13, 1978*

The President of the United States of America, Jimmy Carter, and the President of the Socialist Republic of Romania, Nicolae Ceausescu,

Having noted with satisfaction that the political, economic, scientific, cultural and other relations between the two countries have developed significantly in recent years,

Having determined to take further steps to expand bilateral relations and cooperation, to build security and develop cooperation in Europe, to strengthen international peace and security, and to seek solutions for the manifold issues confronting the world,

Agreed on the following Declaration:

I. They reaffirmed the commitment to continue the development and expansion of relations between the two countries on the basis of the Joint Statement signed in Washington on December 5, 1973 and of the Joint Statement on Economic, Industrial and Technical Cooperation between the United States of America and

the Socialist Republic of Romania of the same date. These relations are based on the purposes and principles of the United Nations Charter and of the Declaration on Principles Guiding Relations Between Participating States of the Final Act of the Conference on Security and Cooperation in Europe, and consistent with these, particularly on the following interrelated principles:

The right of each state to existence, freedom, independence and national sovereignty;

The equal rights of all states, irrespective of their size, level of development, and political, economic and social systems;

The right of each state freely to choose and develop its political, social, economic and cultural system;

The right of each people to decide its own destiny;

Refraining from the threat or use of force inconsistent with the purposes of the United Nations;

Respect for territorial integrity and inviolability of frontiers;

Non-intervention, direct or indirect, for any reason whatever, in the internal affairs of any other state;

Peaceful settlement of international disputes;

Observance of and promotion of respect for human rights and fundamental freedoms, including all the conditions required for a free, dignified and prosperous life;

Cooperation among states in order to promote world peace and security and economic and social progress.

II. They stated their joint determination:

1. To continue meetings at the highest level and consultations at other levels, and to encourage interchanges between members of legislatures and representatives of local administration.

2. To promote and facilitate the expansion of trade and economic cooperation between the two countries, taking into account Romania's present status as a developing country;

3. To promote the reduction of tariffs and non-tariff barriers to trade in conformity with the Agreement on Trade Relations between the two countries, and to seek to increase the volume and diversify the structure of bilateral trade.

4. To seek ways to put existing non-discriminatory trade relations on a more stable and long-term basis, in particular through the renewal of the Agreement on Trade Relations.

5. To encourage the development of cooperation activities, including joint ventures and cooperation in third markets, contacts and interchanges between American firms and Romanian economic organizations, participation in specialized exhibitions in both countries, increased exchange of economic information and data, and other measures for the implementation of the Long-Term Agreement on Economic, Industrial and Technical Cooperation, signed in 1976; and to support in this respect the activities of the Joint American-Romanian Economic Commission and of the United States-Romanian Economic Council.

6. To cooperate in the settlement of humanitarian issues, including family reunification, in the spirit of mutual understanding and good will.

7. To promote cultural and scientific exchanges under the terms of the Agreement on Cooperation and Exchanges in the Cultural, Educational, Scientific and Technological Fields of 1974, as well as relations and contacts between institutions, organizations and citizens of the two countries, and to encourage tourism, in order to increase mutual understanding and friendship between the two peoples.

III. They also expressed their joint determination:

1. To strengthen and make irreversible the process of détente in Europe and throughout the world.

2. To work for ensuring opportunities for all countries, big or small, to contribute to the settlement of complex world issues on the basis of equality.

3. To promote the settlement of all disputes among states by peaceful means and the elimination of the threat or use of force.

4. To contribute actively to the full implementation of all the provisions of the Final Act of the Conference on Security and Cooperation in Europe and to promote the multilateral process initiated by the Conference. They agreed that the Belgrade Meeting provided a firm basis for continuation of this process; at the same time, they expressed disappointment that it had not been possible to reach agreement on the numerous useful proposals which had been put forward. They agreed to cooperate closely so that the 1980 Madrid Meeting should take effective steps toward strengthening security and developing cooperation in Europe in the fields of economic cooperation, of cultural exchanges and humanitarian problems, and of military disengagement and disarmament. They also agreed that the development of friendly and neighborly relations among Balkan countries will be a positive contribution to re-enforcing security and expanding cooperation in Europe.

5. To act resolutely for the adoption of a wide range of disarmament measures, including nuclear disarmament, such as halting the build-up of armaments and reducing military budgets, armed forces and armaments, leading ultimately to general and complete disarmament under effective international control. They en-



dorsed a more effective role for the United Nations in dealing with international disarmament issued and underlined their active support for the Special Session on Disarmament of the United Nations General Assembly.

6. To work toward a more just and equitable international economic order, which should promote the accelerated economic development of developing countries; and to intensify dialogue and cooperation among all countries, directed toward solving major economic problems, on the basis of the principles of equality, equity and mutual benefit.

7. To encourage efforts aimed at a just, comprehensive and lasting peaceful settlement in the Middle East, based on Israel's withdrawal from territories occupied as a result of the 1967 war, respect for legitimate rights of the Palestinian people, and insurance of the independence, territorial integrity and security of all states in the region. To this end, they expressed themselves in favor of negotiations among all the interested parties for solving the Middle East situation, with appropriate representation of the Palestinian people.

8. To support the legitimate aspirations of the African peoples for peace, freedom and independence. They reaffirmed the inalienable right of the peoples of Zimbabwe and Namibia to sovereignty and independent development, and the necessity of ensuring, as soon as possible, the transfer of power to the African majority, in the spirit of pertinent United Nations resolutions. They also expressed deep concern about the South African policy of apartheid and racial discrimination and stood for the abolition of these practices.

9. To strengthen the role of the United Nations in the maintenance and consolidation of world peace, in the development of cooperation among all nations, and in furtherance of the principles of

international law in the relations among states, through reforming and restructuring the UN system in order to make it stronger and more effective; and to strengthen cooperation between their two countries within the United Nations and other international organizations and conferences.

IV. The two Presidents expressed their conviction that friendly relations between the United States of America and the Socialist Republic of Romania, based on equality, mutual respect and due consideration for their respective interests, serve the cause of world peace, security and cooperation. They reaffirmed their commitment to expand and deepen, both through diplomatic channels and meetings at all levels, the consultations, contacts and exchanges that have become an important and lasting element of their cooperation.

Done in Washington on the thirteenth of April, 1978.

JIMMY CARTER

*President of the United States of America*

NICOLAE CEAUSESCU

*President of the Socialist Republic of Romania*

## United States Ambassador to South Africa

*Nomination of William B. Edmondson.  
April 13, 1978*

The President today announced that he will nominate William B. Edmondson, of Peru, Nebr., to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of South Africa. He would replace William G. Bowdler, who will return to Washington to serve as Director of the Bureau

of Intelligence and Research at the State Department.

Edmondson was born February 6, 1927, in St. Joseph, Mo. He received an A.B. from the University of Nebraska in 1950 and an M.A. from the Fletcher School of Law and Diplomacy in 1951. He served in the U.S. Army from 1944 to 1948.

Edmondson joined the State Department as an intern in 1951. From 1952 to 1955, he was Consul and deputy principal officer in Dar es Salaam. From 1955 to 1957, he was economic officer in Bern. In 1957–58, he took African area studies at Northwestern University.

From 1958 to 1960, Edmondson was an intelligence research specialist at the State Department. In 1960 and 1961, he was acting chief of the West Africa Division of the Bureau of Intelligence and Research. He was political officer in Accra from 1961 to 1964, and officer in charge of Ghana affairs at the State Department from 1964 to 1965.

Edmondson was deputy chief of mission in Lusaka from 1965 to 1969. He attended the National War College in 1969–70 and served as educational and cultural affairs officer at the State Department in 1970 and 1971. From 1971 to 1974, he was Director of the Office of African Programs in the Bureau of Educational and Cultural Affairs.

From 1974 to 1976, Edmondson was Deputy Chief of Mission in Pretoria. Since 1976 he has been Deputy Assistant Secretary of State for African Affairs.

## National Commission on the International Year of the Child, 1979

*Executive Order 12053. April 14, 1978*

By virtue of the authority vested in me by the Constitution of the United States

of America, in accordance with the Federal Advisory Committee Act (5 U.S.C. App. I) and the United Nations General Assembly resolution of December 21, 1976 which designated the year 1979 as the International Year of the Child, and as President of the United States of America, in order to provide for the observance of the International Year of the Child within the United States, it is hereby ordered as follows:

SECTION 1. *Establishment of Commission.* (a) There is hereby established the National Commission on the International Year of the Child, 1979, hereinafter referred to as the Commission.

(b) The Commission shall be composed of not more than 25 persons appointed by the President from among citizens in private life. The President shall designate the Chairman and two Vice Chairmen.

(c) The President of the Senate and the Speaker of the House of Representatives are invited to designate two Members of each House to serve on the Commission.

SEC. 2. *Functions of the Commission.* (a) The Commission shall plan for and promote the national observance in the United States of the year 1979 as the International Year of the Child. The Commission shall coordinate its efforts with local, State, national, and international organizations, including the United Nations Children's Fund (UNICEF).

(b) In promoting this observance, the Commission shall foster within the United States a better understanding of the special needs of children. In particular, the Commission shall give special attention to the health, education, social environment, physical and emotional development, and legal rights and needs of children that are unique to them as children.

(c) The Commission shall keep informed of activities by organizations and groups in the United States and abroad in

observance of the Year. The Commission shall consult with, and stimulate activities and programs through, community, civic, State, regional, national Federal and international organizations.

(d) The Commission may conduct studies, inquiries, hearings and meetings as it deems necessary. It may assemble and disseminate information, issue reports and other publications. It may also coordinate, sponsor, or oversee projects, studies, events and other activities that it deems necessary or desirable for the observance of 1979 as the International Year of the Child.

(e) The Commission shall make recommendations to the President on national policies for improving the well-being of children; shall issue periodic reports on discrete areas of the rights and needs of children; and shall submit, no later than November 30, 1978, an interim report to the President on its work and tentative recommendations.

*SEC. 3. Resources, Assistance, and Cooperation.* (a) The Commission may establish subcommittees. Private citizens who are not members of the Commission may be included as members of subcommittees.

(b) The Commission may request any Executive agency to furnish such information, advice, services, and funds as may be useful for the fulfillment of the Commission's functions under this order. Each such agency is authorized, to the extent permitted by law and within the limits of available funds, to furnish such information, advice, services, and funds to the Commission upon request of the Chairman of the Commission.

(c) The Commission is authorized to appoint and fix the compensation of a staff and such other persons as may be necessary to enable it to carry out its functions. The Commission may obtain services in accordance with the provisions

of Section 3109 of Title 5 of the United States Code, to the extent funds are available therefore.

(d) Each member of the Commission and its subcommittees may receive, to the extent permitted by law, compensation for each day he or she is engaged officially in meetings of the Commission or its subcommittees at a rate not to exceed the daily rate now or hereafter prescribed by law for GS-15 of the General Schedule; and, may also receive travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5702 and 5703) for persons in the government service employed intermittently.

*SEC. 4. Coordination.* (a) The heads of Executive agencies shall designate an agency representative for purposes of coordinating agency support for the national observance of the International Year of the Child, 1979. The Co-Chairmen, designated by the Secretaries of State and Health, Education, and Welfare, of the Interagency Committee for the International Year of the Child should act as advisers to, and coordinate activities with, the Chairman of the Commission.

(b) The General Services Administration shall provide administrators services, facilities, and support to the Commission on a reimbursable basis.

(c) The functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I), except that of reporting annually to the Congress, which are applicable to the Commission, shall be performed by the Administrator of General Services as provided by Executive Order No. 12024 of December 1, 1977.

*SEC. 5. Final Report and Termination.* The Commission shall conclude its work and submit a final report to the President, including its recommendations for improving the well-being of children, at least

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*Administration of Jimmy Carter, 1978*

30 days prior to its termination. The Commission shall terminate on April 1, 1979.

JIMMY CARTER

The White House,  
April 14, 1978.

[Filed with the Office of the Federal Register,  
12:07 p.m., April 14, 1978]

## Advisory Commission on Intergovernmental Relations

*Appointment of Vice Chairperson and Six  
Members. April 14, 1978*

The President today announced the appointment of Lynn Cutler, county commissioner of Black Hawk County, Iowa, as Vice Chairperson of the Advisory Commission on Intergovernmental Relations. She was appointed to the Commission by President Carter in August 1977.

The President also announced the appointment of six persons for 2-year terms as members of the Commission. They are:

FRED E. ANDERSON, of Loveland, Colo., a Colorado State senator;

WILLIAM O. BEACH, of Clarksville, Tenn., county judge of Montgomery County, Tenn.;

TOM BRADLEY, mayor of Los Angeles, Calif.;

RICHARD E. CARVER, mayor of Peoria, Ill.;

JAMES T. MCINTYRE, JR., Director of the Office of Management and Budget;

JOHN P. ROUSAKIS, mayor of Savannah, Ga.

The Commission was created in 1959 to maintain a continuing review of the operation of the Federal system and to make recommendations for improvements. It consists of 26 members: 3 officers of the executive branch, 3 private citizens, 3 U.S. Senators, 3 Members of the House of Representatives, 4 Governors, 3 State legislators, 4 mayors, and 3 county officials.

## United States-Bolivia Treaty on Penal Sentences

*Message to the Senate Transmitting the  
Treaty. April 14, 1978*

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and Bolivia on the Execution of Penal Sentences which was signed at La Paz on February 10, 1978.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty would permit citizens of either nation who had been convicted in the courts of the other country to serve their sentences in their home country; in each case the consent of the offender as well as the approval of the authorities of the two Governments would be required.

This Treaty is significant because it represents an attempt to resolve a situation which has inflicted substantial hardships on a number of citizens of each country and has caused concern to both Governments. The Treaty is similar to those with Mexico and Canada, to which the Senate gave advice and consent last year. I recommend that the Senate give favorable consideration to this Treaty at an early date.

JIMMY CARTER

The White House,  
April 14, 1978.

## White House Conference on Families

*Appointment of Wilbur J. Cohen as  
Chairman. April 14, 1978*

The President today announced that HEW Secretary Joseph Califano has ap-

pointed Wilbur J. Cohen as Chairman of the White House Conference on Families. Cohen is dean of the School of Education at the University of Michigan and a former Secretary of Health, Education, and Welfare.

Cohen, 64, of Ann Arbor, Mich., was with the Social Security Administration from 1935 to 1956, serving as Director of the Division of Research and Statistics from 1953 to 1956. From 1956 to 1969, he was a professor of public welfare administration at the University of Michigan.

Cohen served as Assistant Secretary of Health, Education, and Welfare from 1961 to 1965, as Under Secretary from 1965 to 1968, and as Secretary from 1968 to 1969. Since 1969 he has been dean of the School of Education at Michigan. He is resigning as dean effective June 30 of this year, but will remain with the university as a professor of education and public welfare administration.

Cohen is the author of several books and numerous articles on social security. He is considered one of the pioneering leaders in the development of social security in the United States, and was also an early advocate of the Medicare program.

The White House Conference on Families, scheduled for December 9–13, 1979, will explore all facets of family life in America. President Carter has termed the family “both the foundation of American society and its most important institution.”

In announcing the Conference, the President said last January 30:

“The main purpose of this White House Conference will be to examine the strengths of American families, the difficulties they face, and the ways in which family life is affected by public policies. The Conference will examine the important effects that the world of work, the mass media, the court system, private institutions, and other major facets of our society have on American families.”

## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *April 8*

In response to a request from the State of Maine, the White House Work Group on the Maine Indian land claims and Presidential Counsel Robert Lipshutz announced that an extension of time to respond to the Passamaquoddy and Penobscot Tribes' proposal for settlement of Maine land claims has been granted. The extension will run until May 10, 1978.

### *April 9*

The President returned to the White House after a weekend stay at Camp David, Md.

### *April 10*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- Secretary of Defense Harold Brown and members of the President's Commission on Military Compensation, who submitted the Commission's report to the President;
- the Cabinet;
- Vice President Walter F. Mondale;
- members of the House Science and Technology Committee.

The President attended a portion of the meeting of the executive board of the Asia Foundation in the Roosevelt Room at the White House.

## *Administration of Jimmy Carter, 1978*

### *April 11*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Vice President Mondale, Adm. Stansfield Turner, Director of Central Intelligence, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski;
- members of the congressional energy conference committee to discuss energy legislation.

### *April 12*

The President met at the White House with:

- Dr. Brzezinski;
- Republican House members of the energy conference committee to discuss energy legislation;
- Democratic members of the House Ways and Means Committee to discuss tax policy.

### *April 13*

The President met at the White House with:

- Dr. Brzezinski;
- a group of consumer advocates.

The President attended a portion of the luncheon for the finance council of the Democratic National Committee in the State Dining Room at the White House.

The President attended a reception for the Amalgamated Clothing and Textile Workers in the State Dining Room at the White House.

### *April 14*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- James T. McIntyre, Jr., Director of the Office of Management and Budget;

- Mrs. Carter, for lunch;
- Ambassador Robert S. Strauss, Special Representative for Trade Negotiations;
- Democratic National Committee Chairman John C. White;
- representatives of the lumber industry from Oregon and Idaho.

The President attended a portion of the meeting of the Advisory Commission on Intergovernmental Relations in the Roosevelt Room at the White House.

The President left the White House for a weekend stay at Camp David, Md.

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### **NOMINATIONS SUBMITTED TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

#### **Submitted April 10, 1978**

ALFRED LAURETA, of Hawaii, to be Judge for the District Court for the Northern Mariana Islands for a term of 8 years (new position, Public Law 95-157).

The following-named persons to be members of the Federal Election Commission for terms expiring April 30, 1983:

JOHN WARREN MCGARRY, of Massachusetts, vice Neil Staebler, term expired.

SAMUEL D. ZAGORIA, of Maryland, vice William L. Springer, term expired.

#### **Submitted April 14, 1978**

WILLIAM B. EDMONDSON, of Nebraska, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of South Africa.

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### **CHECKLIST OF WHITE HOUSE PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

*Administration of Jimmy Carter, 1978*

**CHECKLIST—Continued**

**Released April 10, 1978**

News conference: on the report of the President's Commission on Military Compensation—by Charles J. Zwick, Chairman of the Commission

News conference: on the economic summit conference to be held in Bonn, Federal Republic of Germany—by Ambassador Henry Owen, Special Representative of the President for Summit Preparations

**CHECKLIST—Continued**

**Released April 11, 1978**

Advance text: remarks announcing the administration's anti-inflation policy

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**ACTS APPROVED BY  
THE PRESIDENT**

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.





# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, April 21, 1978

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## Zero-Base Budgeting

*Memorandum From the President.*  
*April 14, 1978*

*Memorandum for the Heads of Executive  
Departments and Agencies*

Shortly after I took office, I asked each of you to institute zero-base budgeting in your agency. I commend your efforts to accomplish this within the short time that was available.

I want you to know that the zero-base budgeting process helped me and other reviewers in the difficult task of allocating limited resources among competing and worthy programs. And now, after a year's experience, I expect the process to aid even more during the 1980 budget cycle.

The Office of Management and Budget has reported to me the results of this year's zero-base budgeting efforts. As was expected, some agencies did better than others. Most agencies need to focus more attention on objectives and on ways to accomplish those objectives more efficiently. In addition, I think more emphasis should be placed on the examination of minimum levels, so I ask that you make additional efforts to do this.

I have asked the Office of Management and Budget to issue revised guidelines. These guidelines will include many of

your staff's suggestions on ways to improve the process for the 1980 Budget.

In addition to the changes needed under these revised guidelines, I ask that you use zero-base budgeting as the sole basis for the preparation of your 1980 budget request. This should relieve the added work that was caused last year by the preparation, in some instances, of both ZBB and traditional budget justifications. I also ask you to involve managers at all levels within your agency. This will help to identify ways to bring about our common goal of increased effectiveness in Government operations.

By continuing to work together to improve our zero-base budgeting processes, we can make the Federal budget more responsive to the needs of the people.

JIMMY CARTER

NOTE: The text of the memorandum was released on April 17.

## Visit of President Nicolae Ceausescu of Romania

*Joint Communiqué Issued at the Conclusion  
of the Romanian President's Visit to the  
United States. April 17, 1978*

At the invitation of President Jimmy Carter and Mrs. Carter, the President of the Socialist Republic of Romania, Nico-

lae Ceausescu, accompanied by Mrs. Elena Ceausescu, paid a state visit to the United States of America between April 12-17, 1978.

President Carter and President Ceausescu conducted official talks on the current state of relations between the United States and Romania as well as on the possibilities for their further development. They also had a broad exchange of views on a series of major world problems of common concern. The talks were held in a cordial atmosphere of openness, esteem, and mutual respect which reflects the positive evolution in United States-Romanian relations.

President Ceausescu met with members of the House of Representatives and the Senate. The talks showed that both sides desire to contribute to the deepening of understanding and to the growth of contacts between the American and Romanian peoples.

President Ceausescu also met with leading personalities in the business, financial, scientific, engineering and cultural life of the United States.

The two Presidents noted with satisfaction that the relations between the two countries have further developed and broadened in the spirit of the principles embodied in the Joint Declaration signed in Washington, D.C., on December 5, 1973. They expressed their common determination and interest to encourage and promote the continuing expansion of ties of cooperation and friendship between the two countries and peoples.

In order to further develop and diversify the relations between the two countries as well as to contribute to the strengthening of international peace and security, President Carter and President Ceausescu signed a Joint Declaration.

The two Presidents expressed their satisfaction at the results of their talks and agreed to continue the bilateral dialogue

at the highest level as well as at other levels and through diplomatic channels.

President Ceausescu and Mrs. Elena Ceausescu also visited, in addition to Washington, D.C., Chattanooga, Dallas, Houston, New Orleans and New York.

President Ceausescu and Mrs. Elena Ceausescu expressed their cordial thanks to President and Mrs. Carter for the friendly and hospitable reception extended to them during their visit which is a natural expression of the traditional friendship and mutual respect between the American and Romanian peoples.

President Nicolae Ceausescu and Mrs. Elena Ceausescu invited President Jimmy Carter and Mrs. Rosalynn Carter to pay an official visit to the Socialist Republic of Romania. The invitation was accepted with pleasure.

## Tax Reduction and Reform

*Remarks Concerning Proposals Submitted to the Congress. April 17, 1978*

THE PRESIDENT. Good afternoon, everybody.

Today the congressional committee began to mark up the tax reform proposals that we submitted to the Congress, and today also happens to be the date, each year, when American people have to pay their taxes for last year.

Many American citizens at this time of the year wonder why in the world the tax codes, the tax laws, are so complicated and so unfair. We here in Washington don't hear clearly the voices of those who are concerned, who are cheated by the present tax laws, who don't understand the complicated tax codes, and who have been treated unfairly for many years.

All these people want, the average American family, is a simple tax code

that's fair. The voices that we hear in Washington when tax reform is proposed are the voices of those special interest groups, because they are powerful, are rich, are influential, and are present here through lobbyists and spokesmen and lawyers and accountants, are trying to protect the selfish special privilege that has been carved out for them in the past, and whose tax bills have to be paid by the average American workman and the average American family.

These average Americans foot the bill for the rich and others who mark off from their tax payments high-priced meals, high-priced theater tickets, ball-game tickets, first-class air travel, even country club dues. And because the expenses of Government are fairly well fixed because of the services demanded, somebody has to pay when those rich, influential people don't. And the ones who pay are the quiet, average American working family members who expect to be protected, but quite often are not.

The low and middle American families also pay the taxes for the multinational corporations who have special privileges concerning foreign earnings and, in the process, also are encouraged to export jobs that are badly needed here in our own country.

Under the proposals that have been made to Congress for tax reform, tax reduction, families who earn between \$10,000 and \$30,000 a year would have their taxes cut about \$300 if the proposals go into effect.

But tax reform is not just economic. The tax codes touch, perhaps, more Americans than any other laws that we have. And the tax codes quite often are the measuring stick by which citizens can judge the effectiveness of their own Government and the fairness of their own Government and evolve, therefore, trust in their own Government.

I've seen recent news stories that said that there is no enthusiasm in Washington for tax reform. But there's a lot of enthusiasm in the White House, there's a lot of enthusiasm in the Treasury Department, and there's a lot of enthusiasm among American citizens who are tired of being treated unfairly and want to see tax reform implemented.

If the American people will let their voices be heard to equal those of the special interests, then the Congress will hear, and tax reform will finally go into effect in our country.

If we don't succeed in all our efforts this year, I intend to come back next year and the next and the next to make sure that American voices are heard and that our tax reform proposals are implemented and that tax codes will be simple and fair.

Thank you very much.

CAMP DAVID MEETINGS WITH  
ADMINISTRATION OFFICIALS

I might say that the meetings that we had this weekend at Camp David were profitable, very helpful to me, and I think that every member of the Cabinet, every member of the White House staff would agree with those assessments.

We measured how our administration had performed so far. We analyzed some problems and some failures that have been widely publicized. We recommitted ourselves to carrying out the commitments that I made during the campaign and to make our Government, from the executive branch, be more effective.

Thank you very much.

REPORTER. Will you do things differently, sir? Did you reach some decisions about different processes?

THE PRESIDENT. We'll do things better.

NOTE: The President spoke at 5:10 p.m. to reporters assembled in the Briefing Room at the White House.

## Education Day, U.S.A., 1978

*Proclamation 4562. April 17, 1978*

*By the President of the United States  
of America*

### A Proclamation

On April 13 of this year the Congress of the United States concluded its deliberations on a joint resolution which recognized the need for this Nation to set aside a special day devoted to recognizing the importance of education in the lives of our citizens. To emphasize its commitment, the Congress has authorized and requested the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A., and calling for its appropriate observance. I am honored to join with the House of Representatives and the Senate in recognizing this need and privileged to comply with their request.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim Tuesday, April 18, 1978, as Education Day, U.S.A. and I ask all Americans to observe that day in such manner as reflects their commitment to education and their recognition of its importance to the welfare of this Nation.

IN WITNESS WHEREOF, I have hereunto set my hand this seventeenth day of April, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
2:10 p.m., April 18, 1978]

NOTE: The text of the proclamation was released on April 18.

## National Oceans Week, 1978

*Proclamation 4563. April 17, 1978*

*By the President of the United States  
of America*

### A Proclamation

Throughout history the ocean has been a magnet for explorers, scientists, merchants, adventurers—and dreamers. Where once the oceans were cloaked in superstition, today we plumb their depths with an amazing array of technological devices, and we are beginning to understand the vital role of the oceans in life on this planet. The world community looks to the oceans as a vital source of food, energy and mineral resources, while they remain crucial to trade as they have been since ancient times.

As governments, international organizations and private groups develop plans and programs to harvest some of the riches of the sea, we must also control marine pollution. We must unlock the secrets of the ocean to understand the results of man's activities—not only at sea, but on land as well—which adversely affect sea-life. It is essential that we discover and work with the oceans' capacity to survive misuse. All the peoples of the world must understand that the ocean cannot be subjected to unchecked exploitation, but because our Nation lies between the world's largest oceans, and because of our economic position, the United States has a special responsibility in preventing the deadening of the seas. A careful balance between conservation and commercial development must be achieved if the oceans are to meet the needs of future generations.

In order to increase public awareness of the importance of the oceans of the world, the Ninety-fifth Congress has

adopted a joint resolution (S.J. Res. 124) requesting the President to issue a proclamation designating the week of April 16 through April 22, 1978, as National Oceans Week.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim the week beginning Sunday, April 16, 1978, as National Oceans Week.

I call upon public officials, users of the oceans and coasts, environmental organizations, industry, the media and civic leaders to join together to make the public aware of the importance of our ocean resources and I urge every American to take the time and trouble to learn about the proper use and management of our marine waters and the wealth of their contents.

IN WITNESS WHEREOF, I have hereunto set my hand this seventeenth day of April, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 2:11 p.m., April 18, 1978]

NOTE: The text of the proclamation was released on April 18.

## Death of General Lucius D. Clay

*Statement by the President. April 18, 1978*

I am saddened by the death of Gen. Lucius D. Clay, who served his Nation throughout the world, in time of peace and war, as soldier, engineer, diplomat, statesman, industrialist, and financier.

After serving as General Eisenhower's deputy during World War II, General Clay went on to achieve worldwide emi-

nence in his own right as Military Governor of the U.S. Zone of Germany and Commander in Chief of the United States forces in Europe.

He demonstrated America's determination that Berlin must remain free when he defied the Russian blockade of that city with the Berlin airlift. Perhaps of equal importance historically was his dedication to the reconstruction of West Germany's postwar economy.

I join millions of Americans in mourning General Clay's passing and in offering my sympathies to his family.

## Special Session of the United Nations General Assembly on Disarmament

*Accordance of the Rank of Ambassador to Lawrence D. Weiler. April 18, 1978*

The President today announced that he has accorded the personal rank of Ambassador to Lawrence D. Weiler while he serves as Special Adviser to Ambassador Andrew Young at the United Nations General Assembly Special Session on Disarmament, scheduled for May 20.

Weiler is Special Coordinator for this U.N. Special Session at the Arms Control and Disarmament Agency (ACDA). He has been with ACDA from 1971 to 1973 in various positions, including Chief of the Office of Political Analysis and Research and Counselor of the Agency. From 1973 to 1977, he was at Stanford University as a visiting scholar, adjunct professor, and associate director of the arms control and disarmament program. He has been Special Coordinator for the U.N. Special Session since 1977.

## President's Special Summit Representative

*Appointment of Henry Owen. April 18, 1978*

The President today announced the appointment of Henry Owen, of Washington, D.C., to be the President's Special Summit Representative with responsibilities for economic summits and for international economic policy.

Owen was born in New York City on August 26, 1920. He is a graduate of Harvard University and served in World War II as a lieutenant in the U.S. Navy. Following the war, he joined the State Department and served in various posts in the Department in Washington. From 1966 to 1969, he was Chairman of the Department's Policy Planning Council.

In 1969 he joined the Brookings Institution as director of foreign policy studies. During 1977 Owen was involved in the planning for the Downing Street summit meetings held in London last spring.

## Panama Canal Treaty

*Remarks on Senate Ratification of the Treaty. April 18, 1978*

THE PRESIDENT. This is a day of which Americans can always feel proud, for now we have reminded the world and ourselves of the things that we stand for as a nation. The negotiations that led to these treaties began 14 years ago, and they continued under four administrations, four Presidents. I'm proud that they reached their conclusion while I was President. But I'm far prouder that we, as a people, have shown that in a full and open debate about difficult foreign policy objectives, that we will reach the deci-

sions that are in the best interest of our Nation.

The debate has been long and hard. But in the end, it's given our decision a firm base in the will of the American people. Over the last 8 months, millions of Americans have studied the treaties, have registered their views and, in some cases, have changed their minds. No matter which side they took in this debate, most Americans have acted out of sincere concern about our Nation's interest.

I would like to express my thanks to a few for the job they've done. Under the leadership of Senators Byrd and Baker and Sparkman and others, the Senate has carried out its responsibility of advice and consent with great care. All of us owe them our thanks. I feel a special gratitude and admiration for those Senators who have done what was right, because it was right, despite tremendous pressure and, in some cases, political threats.

The loyal employees of the Panama Canal Zone and the Canal Zone Government also deserve our gratitude and our admiration for their performance during these months of great uncertainty.

And General Torrijos and the people of Panama, who have followed this debate closely and through every stage, have been willing partners and cooperative and patient friends. There is no better indication of the prospect for friendly relations between us in the future than their conduct during the last few months.

We now have a partnership with Panama to maintain and to operate and to defend the canal. We have the clear right to take whatever action is necessary to defend the canal and to keep it open and neutral and accessible. We do not have the right to interfere in Panama's internal affairs. That is a right we neither possess nor desire.

These treaties can mark the beginning of a new era in our relations not only with Panama but with all the rest of the world. They symbolize our determination to deal with the developing nations of the world, the small nations of the world, on the basis of mutual respect and partnership. But the treaties also reaffirm a spirit that is very strong, constant, and old in the American character.

Sixty-four years ago, when the first ship traveled through the canal, our people took legitimate pride in what our ingenuity, our perseverance, and our vision had brought about. We were a nation of builders, and the canal was one of our greatest glories.

And today we have shown that we remain true to that determination, that ingenuity, and most of all, that vision. Today we've proven that what is best and noblest in our national spirit will prevail. Today we've shown that we are still builders, with our face still turned confidently to the future. That is why I believe all Americans should share the pride I feel in the accomplishments which we registered today.

When I was coming in to make this announcement, the Ambassador of Panama, Gabriel Lewis, informed me that General Torrijos has accepted the terms of the treaty that passed the Senate this afternoon. And I want to reaffirm my thanks and my commitment to a true partnership with General Torrijos and the people of a great nation, Panama.

Thank you.

REPORTER. Mr. President, are you going down to Panama now?

THE PRESIDENT. Now?

Q. With these treaties in a few weeks, for formal ceremonies?

THE PRESIDENT. I have been invited by General Torrijos to come to Panama. I would like very much to accept his invitation.

Q. Thank you.

THE PRESIDENT. Thank you.

NOTE: The President spoke at 7:07 p.m. to reporters assembled in the Briefing Room at the White House. His remarks were broadcast live on radio and television.

Earlier, the Senate had voted 68-32 to ratify the treaty.

## Advisory Committee for Trade Negotiations

*Appointment of Nine Members.  
April 19, 1978*

The President today announced the appointment of nine persons as members of the Advisory Committee for Trade Negotiations for 2-year terms. They are:

NORBORNE BERKELEY, JR., of Princeton, N.J., president and director of the Chemical New York Corp. and Chemical Bank (reappointment);

HENRY FORD II, chairman of the board of Ford Motor Co.;

PAUL HALL, president of the Seafarers International Union of North America (reappointment);

RICHARD E. HECKERT, of Kennett Square, Pa., director and senior vice president of the Du Pont Co.;

FRANKLIN A. JACOBS, of St. Louis, Mo., president and chief executive officer of Falcon Products, Inc., a food service equipment company which he founded in 1958;

WILLIAM D. KNOX, of Fort Atkinson, Wis., president of W. D. Hoard & Sons Co., which publishes Hoard's Dairyman, a magazine with circulation of 280,000 dairy farmers (reappointment);

BUCK MICKEL, of Greenville, S.C., chairman of Daniel International Corp., a construction company (reappointment);

MYER RASHISH, a Washington consulting economist and former Assistant to the President (1961-63) (reappointment);

WILLIAM E. TIMMONS, of Bethesda, Md., president of Timmons and Co., a small Washington consulting firm representing corporate and association clients in the area of government relations (reappointment).

## Department of Energy

***Nomination of John K. Mansfield To Be Inspector General. April 19, 1978***

The President today announced that he will nominate John K. Mansfield, of Farmington, Conn., to be Inspector General of the Department of Energy.

Mansfield was born October 8, 1921, in Chicago. He received a B.S. from Northwestern University in 1943. He served in the U.S. Army during World War II.

In 1949 he served as an instructor in the department of international relations at Yale University. From 1950 to 1956, he was on the staff of the Joint Congressional Committee on Atomic Energy. From 1956 to 1959, he was assistant to the director of the Nuclear Division of Combustion Engineering in Windsor, Conn.

Mansfield served as staff director of the Subcommittee on National Policy Machinery of the Senate Committee on Government Operations from 1959 to 1962. In 1962 he became the first Inspector General of Foreign Assistance of the State Department, with the rank of Assistant Secretary of State.

In 1969 Mansfield joined the staff of the Bureau of International Scientific and Technological Affairs at the State Department, where he worked on a wide variety of foreign policy problems involving developments in science and technology.

Since 1974 he has been Special Assistant to the Assistant Secretary of State in charge of the Bureau of Oceans and International Environmental and Scientific Affairs. He has worked on a broad spectrum of policy issues concerning such matters as environmental problems, the science and technology attachés program, and technology transfer questions.

Mansfield has been a consultant to the

Congress on various high technology problems and an adviser on scientific and technical manpower to the U.S. Delegation to the NATO Parliamentarians Conference.

## United States Ambassador to Surinam

***Nomination of Nancy Ostrander. April 19, 1978***

The President today announced that he will nominate Nancy Ostrander, of Indianapolis, Ind., to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Surinam. She would replace J. Owen Zurhellen, Jr., resigned.

Ostrander was born October 25, 1925, in Indianapolis. She received an A.B. from Butler University in 1947.

She entered the Foreign Service in 1947, and served in a clerical capacity in Santiago de Cuba from 1947 to 1950. From 1950 to 1954, she was mail and records supervisor in Havana, and from 1954 to 1957, she was communications and records officer in The Hague. From 1957 to 1961, she was administrative officer in Antwerp.

From 1961 to 1964, Ostrander was a personnel officer at the State Department. From 1964 to 1967, she was consular officer in Mexico City, and from 1967 to 1970, she was Chief of the Consular Section in Kingston. From 1970 to 1972, she was a consular officer in the Bureau of Consular Affairs at the State Department.

In 1973 and 1974, Ostrander attended the National War College. In 1974 and 1975, she was a personnel officer at the State Department, and in 1975 and 1976, she was Chief of the Consular Officer



Division in the Bureau of Personnel. Since 1976 she has been personnel counselor for the Senior Officer Division in the Bureau of Personnel.

Task Force of the National Governors' Conference in 1970 and 1971. He was State Cochairman of the New England Regional Commission in 1969 and 1970.

## International Joint Commission— United States and Canada

*Nomination of Kenneth M. Curtis To Be a U.S. Commissioner. April 19, 1978*

The President today announced that he will nominate Kenneth M. Curtis, of Cape Elizabeth, Maine, to be a Commissioner on the part of the United States on the International Joint Commission—United States and Canada. He would replace Victor Smith, resigned.

Curtis was born February 8, 1931, in Leeds, Maine. He received a B.S. from Maine Maritime Academy in 1952 and a J.D. from Portland University Law School in 1959. He served in the U.S. Navy during the Korean war.

From 1959 to 1960, Curtis was assistant to Congressman James Oliver, and from 1961 to 1962, he was with the Legislative Research Service of the Library of Congress. In 1963 and 1964, he was State coordinator for the Area Redevelopment Administration for Maine.

In 1965 and 1966, Curtis was secretary of state of Maine, and from 1967 to 1974, he was Governor of Maine. In 1975 and 1976, he practiced law in Portland, Maine. In 1977 he was chairman of the Democratic National Committee. Since last January, he has practiced law with the firms of Curtis, Thaxter, Lipez, & Stevens in Portland, Maine, and Millman & Broder in Washington.

Curtis was chairman of the New England Governors' Conference in 1969 and 1970, and chairman of the Environmental

## Older Americans Month, 1978

*Proclamation 4564. April 19, 1978*

*By the President of the United States  
of America*

### A Proclamation

When the month of May was first set aside in 1963 in special tribute to our Nation's senior citizens, there were fewer than eighteen million Americans over the age of sixty-five. Today, their number exceeds twenty-three million.

Older Americans are an invaluable source of talent, skills and experience. Their sacrifice and hard work in the past have brought us through wars and hard times, and kept our Nation faithful to the values and principles on which it was founded. They are our link with what has gone before, remembering the good things we are in constant danger of losing, as well as the bad things we have overcome, and how it was possible. They can help us understand the mistakes of the past so that we do not repeat them. They can help us gather strength and courage from the wisdom of the past to make a better future for our children.

Their skills and knowledge are important to our economy, and it is important to their lives and health that they be able to remain as self-reliant as possible, through employment and other opportunities, and through necessary supportive services that enable them to live their later years in dignity and self-respect. Just as they must not be arbitrarily excluded from contributing to our society, they

must not be asked to bear the burdens of society when they are no longer able.

These men and women are a vital part of this Nation. Like all Americans, they need comfortable and safe places to live, nutritious daily diets and adequate incomes and services to give them freedom to make choices. We all must work together to create these conditions in our communities.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate the month of May as Older Americans Month and I ask public officials at all levels, community agencies, educators, the clergy, the communications media and each American to help make it possible for older Americans to enjoy their later years.

IN WITNESS WHEREOF, I have hereunto set my hand this nineteenth day of April, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 4:01 p.m., April 19, 1978]

## Airline Deregulation Legislation

*Statement by the President. April 19, 1978*

I welcome the Senate's action tonight in passing, 83-9, the airline regulatory reform legislation.

This is an important step in the fight against inflation, as I said in my anti-inflation message last week. Many airline carriers have already begun to reduce fares in expectation of its enactment.

Making this bill law will guarantee that the trend toward lower fares continues and broadens to benefit more passengers—and it will put an end to a form of Government regulation of business that

is not only unnecessary but also counter-productive from the public's point of view.

Many Senators—and Senators Cannon, Kennedy, and Pearson, in particular—deserve credit for their leadership on this bill. I urge the House to act upon it soon as well.

NOTE: The statement was released on April 20.

## National Commission on Air Quality

*Appointment of Seven Members. April 20, 1978*

The President today announced the appointment of seven persons as members of the National Commission on Air Quality. The Commission was created last August and will consist of 13 members, of whom 9 are appointed by the President and 4 are Members of Congress. The Commission has a maximum of 3 years to deliver its final report to the President and the Congress.

Those appointed today are:

RICHARD E. AYRES, a staff attorney for the Natural Resources Defense Council in Washington and executive director of the NRDC Environmental Lobby;

TOM BRADLEY, mayor of Los Angeles;

ANNEMARIE F. CROCETTI, clinical associate professor at New York Medical College department of preventive medicine and adjunct professor in the school of education, health division, department of nutrition, at New York University;

JAY S. HAMMOND, Governor of Alaska;

JEANNE MALCHON, chair of the Pinellas County, Fla., Board of County Commissioners, and chair of the Florida Lung Association;

LLOYD MCBRIDE, international president of the United Steelworkers of America;

HAROLD W. TSO, director of the Environmental Protection Commission for the Navajo Tribe in Window Rock, Ariz.

## National Energy Plan

*Remarks Urging Congressional Action on the Plan. April 20, 1978*

THE PRESIDENT. One year ago today, I spoke to the Congress and to the American people about the need for a national energy plan. I said then that this was the gravest domestic challenge that would be faced, perhaps, in our lifetime, and that solving it would take cooperation and sacrifice from all our people. I also said that the proposals in this plan would be complicated and often unpopular and that no solution would be quick, but that we had no alternative but to begin and to act without delay. None of that has changed in the last year. All that has changed is that we have wasted 12 months of precious time.

During the past year we've spent \$45 billion importing oil from foreign countries, an average of about \$1,000 for every family in the United States. Because of these mammoth imports, our trade deficit has soared and the value of the dollar has dropped. These developments have caused part of the crucial problems that we face here at home of inflation and unemployment.

Because of this delay, governments and people all around the world are asking when we will summon the will to pass an energy plan as every other industrialized nation in the world has already done.

There have been some few promising developments in this last year. New oil from Alaska has given us a temporary reprieve from importing so much oil from overseas. But unless we act on energy legislation and to eliminate waste of energy, this temporary reprieve, counting all the Alaskan oil, will end in 18 months.

The American people have begun to respond by insulating their homes, by switching to lightweight cars, and by taking other action that will contribute to a permanent solution for our energy problems.

We are all more aware, I believe, of the need to conserve energy than we were 1 year ago. All of this has happened without legislation, but we cannot afford to wait any longer.

Although no final action has been taken, the Congress has tentatively agreed on three of the five issues that are before the conference committees now. I recognize that the remaining issues are difficult, and particularly the pricing of natural gas, an issue confronting our people and the Congress for at least 30 years. But now is the time to bring that congressional debate to an end.

We must have energy legislation without delay, and I call on the Congress to fulfill its duty to the American people. Where legislation requires firmness, I will continue to be firm. Where compromise is necessary, I will make reasonable compromises. And when it requires a special expression of the Nation's interest, I will speak for that interest, above the special interests that have hindered our progress so far.

The American people expect these same qualities from the Congress.

Thank you very much.

REPORTER. Sir, how long will you wait before you have to take administrative action if Congress doesn't act?

THE PRESIDENT. I don't know yet.

NOTE: The President spoke at 3:31 p.m. to reporters assembled in the Briefing Room at the White House.

## Presidential Scholars

*Announcement of the Selection of 121 Students as Presidential Scholars of 1978, With a Message From the President. April 20, 1978*

The President has sent mailgrams to 121 graduating high school seniors from every part of the country, naming them Presidential Scholars of 1978.

The group includes a boy and a girl from each State, the District of Columbia, Puerto Rico, Americans living abroad, and 15 chosen at large.

The students were selected by the Commission on Presidential Scholars in the only nationwide program for honoring academic excellence, leadership, other evidence of superior attainment and, for the first time this year, outstanding ability in the arts.

This is the 15th anniversary of the Presidential Scholars program, which was established by Executive order of President Lyndon B. Johnson in 1964. The Presidential Scholars receive no monetary award, but they will be brought to Washington May 21 to 25 for a program during which they will receive the 1978 Presidential Scholars medallions. The visit will include special interest seminars conducted by authorities in many fields, appointments with their Senators and Representatives, and forums, symposiums, and other events scheduled at the State Department, the Smithsonian Institution, and other agencies.

The text of the President's mailgram follows:

"What great pleasure it gives me to notify you of your selection as a 1978 Presidential Scholar! The members of the Commission on Presidential Scholars have made their difficult choices and the chairman informs me that you are one of 121 Presidential Scholars selected from across the nation on the basis of scholarship and leadership.

"Mrs. Carter and I are very proud of your achievements as well as your future promise. We hope you will be coming to Washington May 21st-25th, at which time you will receive the Presidential Scholars medallion."

## 1978 PRESIDENTIAL SCHOLARS

*Alabama*

CRYSTAL KAY FOWLER, Huntsville  
RICHARD KIP GORDON, Birmingham

*Alaska*

KENDRA A. CRAIG, Soldotna  
EMANUEL E. WASHINGTON, Elmendorf AFB

*Arizona*

SHIRLEY ANNE LEAVITT, Tucson  
SCOT DAVID MUNROE, Tucson

*Arkansas*

STEVEN N. CONNELLY, Magnolia  
VALERIE K. LAMB, Little Rock

*California*

JOSEPH BARSUGLI, Los Angeles  
MARGUERITE SUI-LIN GONG, Palo Alto  
ALISON RUMPH, Piedmont

*Colorado*

DAVID M. HART, Littleton  
LOUIS T. SISNEROS, Littleton  
DIANNE ELISE THORPE, Golden

*Connecticut*

GREGORY W. FROELICH, W. Redding  
JOANNE M. KAROHL, Fairfield  
DIANE JOYCE SIEGEL, Stamford

*Delaware*

SHARI LYNN EMERSON, Wilmington  
MARK J. SHUKAITIS, Wilmington

*District of Columbia*

HILARY ANNE NELSON  
ANDREW M. FROOMKIN  
BRYAN H. FORTSON

*Florida*

JOYCE L. PHIPPS, Orlando  
JOHN A. RHODES, Tallahassee

*Georgia*

SCOTT H. JACOBS, Waleska  
CATHERINE ANNE LYNCH, Savannah

*Hawaii*

MARGARET J. GARTIES, Kailua  
JOHN J. LIE, Honolulu  
JUDI RAE LUM, Honolulu

*Idaho*

JULIE R. NEWELL, Boise  
BRUCE N. REED, Coeur d'Alene

*Illinois*

LOUISE M. O'BRIEN, Morton Grove  
JOSEPH SIKORSKI, River Forest

*Indiana*

BARBARA A. JONES, Indianapolis  
DAN G. WAHLMAN, Crown Point

*Iowa*

SCOT R. CHRISTIANSEN, Mt. Vernon  
CARRIE ANNE MINEART, Washington

*Kansas*

MICHAEL L. ANTHONY, Overland Park  
AMY T. MAR, Manhattan

*Kentucky*

CAROL ANN HAFFNER, Louisville

ALLEN W. MEIER, Fort Knox

*Louisiana*

DONNA HUVAL, Lafayette

JOHN O. LOVRETICH, New Orleans

*Maine*

MATTHEW F. MACCOBY, Bangor

KATHLEEN STEARNS, Stillwater

*Maryland*

LINDA P. FALCAO, Silver Spring

MAURY A. PEIPERL, Silver Spring

DANIEL W. SMITH, Bethesda

*Massachusetts*

STACEY H. HUNT, Belmont

PAUL A. RASKAUSKAS, South Boston

*Michigan*

JAMES L. JACKSON, Midland

MARY MARGARET JOHNSON, Lansing

MARY MELISSA MCBRIEN, Grosse Pointe

*Minnesota*

JOHN ARIMOND, Hopkins

SUSAN HOUGH, Excelsior

*Mississippi*

JUDITH A. FORD, Mississippi State

KEITH D. MITCHELL, Biloxi

*Missouri*

PATRICIA I. HANSEN, Ballwin

MITCHELL E. WADE, Marshall

*Montana*

JOHN C. MAYBERRY, Great Falls

MARIE E. MCALLISTER, Bozeman

*Nebraska*

ADAM H. BALIN, Grand Island

PATRICIA M. GIBSON, Omaha

ROGER M. OBA, Scottsbluff

*Nevada*

JOYCE P. JACOBSEN, Reno

DOUGLAS L. ULMER, Las Vegas

*New Hampshire*

JOAN V. LESMERISES, Manchester

CRAIG C. SHELTON, Rye

*New Jersey*

NAOMI D. FISHER, Livingston

SAMUEL D. SAMUELS, West Orange

*New Mexico*

TRAMMELL L. GUTIERREZ, Taos

DEBRA J. HUTCHINS, Albuquerque

RALPH C. WARD, JR., Los Alamos

*New York*

DEBRA ALLIGOOD, Hastings-on-Hudson

ALLISON K. BALDWIN, Armonk

MICHAEL MATTIS, Scarsdale

*North Carolina*

DEBORAH ANN COHEN, Chapel Hill

WILLIAM P. HANEMAN, Wilmington

*North Dakota*

CYNTHIA M. ANDERSON, Pembina

BYRON HERBEL, Hebron

*Ohio*

SCOTT L. MINNEMAN, Maumee

GALE L. WARNER, Ashville

*Oklahoma*

COLETTE ROSE CARLE, Bartlesville

DANIEL A. MILLIGAN, Edmond

MOHIT NANDA, Norman

*Oregon*

CHRISTOPHER M. COFFIN, Portland

CAROL A. GARBER, Salem

JANINE A. VETTER, Salem

*Pennsylvania*

SCOTT A. FEESER, New Cumberland

MARGARET L. FORCHHEIMER, York

*Puerto Rico*

NATALIA MARTIN, Rio Piedras

DANIEL E. RIVERA, Parkville Guaynabo

*Rhode Island*

JENNIFER ANN HANSON, Barrington

TIMOTHY G. HOXIE, Lincoln

EDWARD J. MARCACCIO, N. Providence

EILEEN MULLEN, Cranston

*South Carolina*

MARCUS C. BETHA III, Florence

ANGELIA D. TURNER, Florence

*South Dakota*

JONATHAN PUDAS, Mitchell

CYNTHIA M. SEHR, Sioux Falls

*Tennessee*

IANG YIEL JEON, Knoxville

KATHY M. WILLIS, Hillsboro

*Texas*

ROBERT S. FREDELL, Spring

MARINA CING HSIEH, Waco

NANCY I. KALOW, Dallas

*Utah*

JOHN C. BECK, Provo

NORA D. MOORE, Orem

*Vermont*

NANCY PAGE, Bennington

CARL R. SPITZER, East Thetford

*Virginia*

KAREN C. LEE-THORP, McLean

MICHAEL J. LEVITIN, Norfolk

*Washington*

GREGORY B. FRASER, Tacoma

JOANNE G. LEOVY, Seattle

*West Virginia*

CARMEN R. REXRODE, Brandywine

TERRENCE K. WOODS, Moundsville

*Wisconsin*

RITA L. PUTZ, Fond du Lac

KEVIN J. ROESSELET, Greenfield

*Wyoming*

GEORGE ELIOPULOS, Cheyenne

MARGARET MINER, Cheyenne

*Americans living abroad*

MARIE FRANCES DEER, APO New York

GREGORY VANSUCH, APO New York

## Passover

*Statement by the President. April 21, 1978*

In Jewish tradition and practice, tonight is the night that is different from all other nights: the beginning of Passover, the Festival of Freedom.

Passover commemorates a particular struggle in a particular time and place. But its meaning is universal. It is a reminder to all of us—Jews and non-Jews alike—that the struggle for freedom and against oppression must forever be renewed.

Little more than a generation ago, the Holocaust—perhaps the cruelest chapter in the long history of man's inhumanity to man—took the lives of 6 million men, women, and children. And 35 years ago today, in the streets of the Warsaw Ghetto, Jewish fighters rose up in arms against their Nazi oppressors. We must never forget the reality and meaning of the Holocaust, or of the heroic resistance against it.

On behalf of the American people, I have committed myself and my administration to the cause of human rights. That commitment will remain firm.

In Jewish homes all over the world—in Israel, in Eastern and Western Europe, in the Soviet Union, in Latin America, and here in the United States—families and friends will gather tonight for the ceremony of the Seder. As they do, I greet them and assure them that the love of freedom they celebrate is shared by all the people of the United States.

## President's Commission on Foreign Language and International Studies

*Executive Order 12054. April 21, 1978*

By virtue of the authority vested in me as President by the Constitution and statutes of the United States of America, and in accordance with the provisions of the Federal Advisory Committee Act (5 U.S.C. App. I), it is hereby ordered as follows:

SECTION 1. *Establishment.* (a) There is hereby established the President's Commission on Foreign Language and International Studies, hereinafter referred to as the Commission.

(b) The Commission shall consist of not more than twenty-five members to be appointed by the President, one of whom shall be designated by the President to chair the Commission.

SEC. 2. *Functions.* (a) The Commission shall conduct such public hearings, inquiries, and studies as may be necessary to make recommendations to the President and the Secretary of Health, Education, and Welfare in accordance with the objectives of the Commission outlined in subsection (b) of this Section.

(b) The objectives of the Commission shall be to:

(1) Recommend means for directing public attention to the importance of foreign language and international studies for the improvement of communications and understanding with other nations in an increasingly interdependent world;

(2) Assess the need in the United States for foreign language and area specialists, ways in which foreign language and international studies contribute to meeting these needs, and the job market for individuals with these skills.

(3) Recommend what foreign language area studies programs are appropriate at

all academic levels and recommend desirable levels and kinds of support for each that should be provided by the public and private sectors.

(4) Review existing legislative authorities and make recommendations for changes needed to carry out most effectively the Commission's recommendations.

SEC. 3. *Administration.* (a) To the extent authorized by law:

(1) All necessary expenses incurred in connection with the work of the Commission shall be paid from funds available to the Department of Health, Education, and Welfare.

(2) The Secretary of Health, Education, and Welfare may provide, or otherwise obtain, appropriate professional, technical, clerical and administrative personnel as may be necessary to enable the Commission to perform its functions.

(3) Executive agencies shall assist or otherwise cooperate with the Commission in the performance of its functions.

(4) Each member of the Commission who is not otherwise employed in the Government may receive compensation at the rate of \$100.00 per day for each day such member is engaged in the work of the Commission, and may also receive travel expenses, including per diem in lieu of subsistence (5 U.S.C. 5702 and 5703).

(b) Notwithstanding the provisions of any other Executive order, the functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I), except that of reporting annually to the Congress, which are applicable to the Commission, shall be performed by the Secretary of Health, Education, and Welfare in accordance with guidelines and procedures prescribed by the Administrator of General Services.

SEC. 4. *Termination and Final Report.* The Commission shall submit its final report to the President not later than six

months after its first meeting and shall terminate thirty days thereafter.

JIMMY CARTER

The White House,  
April 21, 1978.

[Filed with the Office of the Federal Register,  
4:19 p.m., April 21, 1978]

## Human Rights Violations in Cambodia

*Statement by the President. April 21, 1978*

America cannot avoid the responsibility to speak out in condemnation of the Cambodian Government, the worst violator of human rights in the world today. Thousands of refugees from Cambodia have accused their Government of inflicting death on hundreds of thousands of the Cambodian people through the genocidal policies it has implemented over the past 3 years. Witnesses have recounted abuses that include mass killings, inhuman treatment of the supporters of the previous government, the forced deportation of urban dwellers, and the total suppression of recognized political and religious freedoms, as well as deprivation of food and health care for the general population. Summary executions continue in Cambodia today, and fear of the authorities is pervasive.

We support the growing international protest against the policies of this inhumane regime. On April 17 the Canadian House of Commons, in a unanimous motion, expressed the horror of all its members in the acts of genocide carried out in Cambodia and called on all governments which maintain relations with Canada to protest against the slaughter.

In the private sphere, a Norwegian committee supported by leaders of the major Norwegian political parties will

hold hearings in Oslo, beginning today, to illuminate through public testimony the tragic situation existing in Cambodia. Amnesty International has issued an appeal to the Cambodian Government to respond to allegations of continuing summary killings in that country. We welcome and applaud these initiatives.

We also welcome the recent action taken by the United Nations Human Rights Commission, which, this year, in consequence of a British initiative, adopted by consensus a resolution asking the Cambodian Government to respond to allegations of human rights violations.

The American Government again condemns the abuses of human rights which have occurred in Cambodia. It is an obligation of every member of the international community to protest the policies of this or any nation which cruelly and systematically violates the right of its people to enjoy life and basic human dignities.

## Withdrawal of U.S. Ground Combat Forces From the Republic of Korea

*Statement by the President. April 21, 1978*

Peace and stability on the Korean Peninsula and in Northeast Asia are vital to our national interest. This Nation is fully determined to maintain its commitment to the Republic of Korea (ROK).

In announcing my decision to withdraw our ground combat forces from Korea over a 4-5 year period, I stressed that it was essential to improve South Korea defense forces so as to confidently maintain an adequate military balance on the peninsula. I also announced that we will take other measures to maintain that balance, including increasing our air force in Korea in October of this year.

I also asked the Congress last October to approve a program to help strengthen South Korean military capabilities, particularly legislation to authorize the transfer to South Korea of a significant portion of the equipment of our departing ground combat forces.

In view of the crowded legislative calendar, and also because of other matters concerning Korea, there is a possibility that the Congress may not act now on this proposal. In the light of this development, I believe it prudent to adjust the scheduled withdrawals.

—The redeployment of noncombat elements will continue on schedule; 2,600 such personnel will be removed by December 31, 1978.

—One combat battalion from the 2d Division will be withdrawn from Korea in December; however, the other two combat battalions of the brigade slated for withdrawal this year will remain in Korea until 1979.

—The plan to increase the U.S. air forces in Korea will not be changed.

Peace and stability in Northeast Asia are vital to our national interest. I urge the Congress to enact as soon as possible the authorization for \$275 million in foreign military assistance credits for the ROK, which I have also proposed, and to move expeditiously to deal with the \$800 million equipment transfer legislation.

## Natural Gas Legislation

*Statement by the President on the Tentative Agreement of the Energy Conference Committee. April 21, 1978*

I am pleased and gratified that members of the energy conference have reached tentative agreement on natural gas legislation. This agreement represents a long-overdue step toward the creation



of a truly national market for natural gas, as well as a crucial breakthrough toward enactment of the Nation's first and long-delayed national energy plan.

This agreement could not have been reached without the tireless efforts of both Democrats and Republicans working in the national interest to overcome the years of conflict and strongly held positions that have characterized this issue.

A solution to the natural gas issue has eluded Presidents and Congresses for over a quarter of a century. If, as I hope, this agreement is approved by the conference, it will be the first conference report on natural gas in 22 years.

I am particularly pleased that this hard-fought compromise, according to best available estimates, will cost American consumers no more than they would pay if today's inadequate regulatory system were to be retained. If this compromise is accepted by the Congress, new supplies of natural gas formerly available only in the intrastate market will flow to the gas-starved interstate system at reasonable prices. These new supplies will replace far more expensive alternative fuels, including imported oil.

I want to give special recognition to conference chairman Harley Staggers of West Virginia, and energy committee chairman Henry Jackson of Washington, as well as energy committee chairmen John Dingell of Michigan and Lud Ashley of Ohio.

In addition, this accord could not have been achieved without the special efforts of Senators Dale Bumpers of Arkansas, Pete Domenici of New Mexico, Jim McClure of Idaho, Mark Hatfield of Oregon, Bennett Johnston of Louisiana, and Wendell Ford of Kentucky, and Congressmen Bob Eckhardt of Texas, Paul Rogers of Florida, Philip Sharp of Indiana, and Charles Wilson of Texas.

## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *April 17*

The President returned to the White House after a weekend stay at Camp David, Md., where he held meetings with members of the Cabinet and White House staff.

The President met at the White House with:

- Senator S. I. Hayakawa of California;
- Secretary of the Treasury W. Michael Blumenthal and members of the Ad Hoc Committee on Tax Reform.

The President and Mrs. Carter hosted a reception and country music concert for officers, directors, and members of the Country Music Association.

### *April 18*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- leaders of the National Student Lobby and the National Student Association;
- Adm. Stansfield Turner, Director of Central Intelligence, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski;
- James T. McIntyre, Jr., Director of the Office of Management and Budget;

*Administration of Jimmy Carter, 1978*

- Secretary of Labor F. Ray Marshall, Secretary of Energy James R. Schlesinger, and representatives of labor and management who negotiated a nationwide agreement for nuclear powerplants.

The President has declared a major disaster for the State of North Dakota as a result of severe storms, ice jams, snowmelt, and flooding, beginning about March 11, which caused extensive public and private property damage.

*April 19*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- the Democratic congressional leadership;
- Representative Michael J. Harrington of Massachusetts;
- Anne Wexler, Deputy Under Secretary of Commerce for Regional Affairs;
- Senator James Abourezk of South Dakota and John Grits, a Cherokee Indian from South Dakota, who presented the President with his painting of an Indian chief;
- members of the American Legion Auxiliary, who presented the President with the 1978 Buddy Poppy;
- George M. White, Architect of the Capitol;
- Mrs. Carter, for lunch.

The White House announced that Anne Wexler, Deputy Under Secretary of Commerce for Regional Affairs, will be joining the White House staff as an Assistant to the President.

The President has appointed Herbert J. Cohen, Assistant Administrator of the Wage and Hour Division of the Labor Department's Employment Standards Administration as a member of the Committee for Purchase from the Blind and Other Severely Handicapped.

The President has appointed James T. McIntyre, Jr., Director of the Office of Management and Budget, as a member of the Board of Governors of the American National Red Cross.

*April 20*

The President met at the White House with:

- Dr. Brzezinski;
- Representatives Al Ullman, Joe D. Waggoner, Jr., and Dan Rostenkowski of the House Ways and Means Committee, to discuss tax reform;
- a group of Congressmen to discuss Federal civil service reform;
- Senator Dale Bumpers of Arkansas;
- David Rockefeller, chairman of the board of the Chase Manhattan Bank;
- Robert S. Strauss, Special Representative for Trade Negotiations, Secretary of Commerce Juanita M. Kreps, and a group of business leaders, to discuss inflation;
- Secretary Blumenthal.

*April 21*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Secretary Blumenthal, Mr. Moore, Charles L. Schultze, Chairman of the Council of Economic Advisers, Stuart E. Eizenstat, Assistant to the President for Domestic Affairs and Policy, and a group of Congressmen, to discuss tax reform;
- Secretary of Health, Education, and Welfare Joseph A. Califano, Jr., Peter G. Bourne, Special Assistant to the President for Health Issues, and Mr. Eizenstat;
- Dr. Schultze;
- representatives of the National Committee for an Effective Congress;

- Representative Stephen L. Neal of North Carolina, Roger Powers, president of Keep America Beautiful, Inc., Robert Timberlake, artist, and Iron Eyes Cody, actor;
- Richard G. Hatcher, mayor of Gary, Ind.

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#### **NOMINATIONS SUBMITTED TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

##### **Submitted April 20, 1978**

NANCY OSTRANDER, of Indiana, a Foreign Service officer of Class two, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Surinam.

JOHN KENNETH MANSFIELD, of Connecticut, to be Inspector General of the Department of Energy (new position).

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#### **CHECKLIST OF WHITE HOUSE PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

##### **Released April 19, 1978**

Biographical information: Anne Wexler, Deputy Under Secretary of Commerce for Regional Affairs, who will be joining the White House staff as an Assistant to the President  
Announcement: assignments of Margaret (Midge) Costanza, Assistant to the President for Public Liaison

##### **Released April 20, 1978**

News conference: following their meeting with the President and a group of business leaders on inflation—by Secretary of Commerce Juanita M. Kreps, Robert S. Strauss, Special Representative for Trade Negotiations, and Thomas Murphy, of General Motors

#### **CHECKLIST—Continued**

##### **Released April 21, 1978**

Announcement: nomination of Adrian G. Duplantier to be United States District Judge for the Eastern District of Louisiana

Announcement: nomination of George H. Lowe to be United States Attorney for the Northern District of New York

Announcement: state visit of President Kenneth D. Kaunda of the Republic of Zambia to the United States on May 17–18 for meetings with President Carter and senior U.S. officials

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#### **ACTS APPROVED BY THE PRESIDENT**

##### **Approved April 17, 1978**

H.R. 2960----- Public Law 95–260  
An act to authorize the Secretary of the Interior to memorialize the fifty-six signers of the Declaration of Independence in Constitution Gardens in the District of Columbia.

H.R. 5981----- Public Law 95–259  
An act to amend the American Folklife Preservation Act to extend the authorizations of appropriations contained in such Act.

H.R. 8358----- Public Law 95–261  
An act to amend title 44, United States Code, to provide for the designation of libraries of accredited law schools as depository libraries of Government publications.

H.J. Res. 770----- Public Law 95–262  
A joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as “Education Day, U.S.A.”.

S.J. Res. 124----- Public Law 95–263  
A joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16 through April 22, 1978, as “National Oceans Week”.

##### **Approved April 18, 1978**

H.R. 2540----- Public Law 95–264  
An act pertaining to the inheritance of trust or restricted lands on the Umatilla Indian Reservation.



# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, April 28, 1978

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## United States Sinai Support Mission

*Message to the Congress Transmitting a  
Report. April 24, 1978*

*To the Congress of the United States:*

In conformity with Section 4 of Public Law 94-110 of October 13, 1975, I am pleased to transmit herewith the Fifth Report of the United States Sinai Support Mission. It describes the continuing operation of the United States early warning system in the Sinai and its contribution to maintaining the disengagement arrangements between Egypt and Israel under the Sinai II Agreement signed on September 4, 1975.

The estimated cost for operating and maintaining the U.S. early warning system in Fiscal Year 1978, including all contractor and headquarters expenses, is expected to be about ten percent less than the \$12.2 million appropriated. For Fiscal Year 1979, the budget is estimated at \$11.7 million.

During the six-month period covered in this report, twenty-two minor violations of the Sinai II Agreement were detected. In each instance the violation was an unauthorized aircraft overflight. None of these incidents was serious.

Both parties to the Agreement recently reaffirmed to the Director of the Sinai Support Mission their full confidence in

the manner in which the U.S. is discharging its responsibilities in the Sinai and wished this effort to continue as it is at present.

Dramatic developments in the Middle East over the past six months expanded hopes for a comprehensive peace settlement. While the diplomatic process is underway, I believe it imperative that the U.S. continue to meet fully its obligations under existing agreements. The activities of the Sinai Support Mission play an important part in fulfilling these obligations and I urge continued Congressional support for this effective peacekeeping mission.

JIMMY CARTER

The White House,  
April 24, 1978.

NOTE: The report is entitled "Report to the Congress, SSM, United States Sinai Support Mission, April 13, 1978" (19 pages plus annexes).

## Law Day, U.S.A., 1978

*Proclamation 4565. April 25, 1978*

*By the President of the United States  
of America*

### A Proclamation

More than any other country, the United States of America is founded upon law. Our people are enormously varied in

ethnic and cultural background, in religious belief, and even in language and place of origin. What unites us in our diversity is a common commitment to the Constitution and the laws, and the liberties they represent. These are the basis of our very Nationhood.

This year we once again set aside a special day to honor our commitment to the rule of law. For this year's observance, the American Bar Association has selected the theme of "Your Access to Justice." It is a most appropriate one, for it asks us to reflect not only upon how our legal system can be made more responsive to our needs, but also upon the nature of justice itself.

Access to justice involves issues that lie beyond the scope of any single group. The law is not the private property of lawyers, nor is justice the exclusive province of judges and juries. In the final analysis, true justice is not a matter of courts and law books, but of a commitment in each of us to liberty and to mutual respect. Accordingly, the efforts of the legal profession to elicit the help and advice of all Americans are to be commended.

To encourage the people of the United States to consider their individual responsibilities with respect to our legal system, the Congress, by joint resolution approved April 7, 1961 (75 Stat. 43, 36 U.S.C. 164) has requested the President to issue a proclamation calling upon the American people to observe the first day of May of each year as Law Day, U.S.A.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, ask all Americans to celebrate Monday, May 1, 1978, as Law Day, U.S.A., and to honor the principle of equal justice under law. I ask all public officials to display the flag of the United States on all public buildings on that day.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fifth day of April, in the year of our Lord nineteen

hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 12:05 p.m., April 25, 1978]

## National Architectural Barrier Awareness Week, 1978

*Proclamation 4566. April 25, 1978*

*By the President of the United States of America*

### A Proclamation

Physical access is often the key to whether people can enjoy their rights and freedoms, and exercise their responsibilities. Every day, however, millions of elderly and handicapped Americans are denied access to places of employment, houses of worship, shops, schools, public services, recreational areas and many other facilities that other Americans take for granted.

If all Americans are to have true access, we must remove the architectural barriers in our society that block some of our people from full participation and self-reliance. We must also remove the barriers of attitude and custom that have prevented many people from doing what they can.

The Congress expressed its commitment to the removal of physical barriers from Federal buildings by enacting the Architectural and Transportation Barriers Act in 1968. The Architectural and Transportation Barriers Compliance Board, created to enforce that act, will soon launch a national media campaign about barriers using the slogan, "Access America."

This Administration has taken steps to improve the access of handicapped citi-

zens by issuing regulations under Section 504 of the Rehabilitation Act which require recipients of federal financial assistance to improve the accessibility of their programs to the disabled. We have also proposed a loan fund to assist institutions to pay for physical alterations when needed.

Many of the barriers that block people from opportunity and fulfillment are not subject to Federal regulation. Their elimination will require awareness and concern on the part of business and industry, state and local governments and organizations of all sorts, as well as individuals, in order that our society may provide access for full participation to all our people.

To encourage public awareness of the problems of such barriers, the Ninety-fifth Congress has adopted a joint resolution (H.J. Res. 578) requesting the President to issue a proclamation designating the third week in May of 1978 and of 1979 as National Architectural Barrier Awareness Week and calling for its appropriate observance.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate the third week of May, 1978 as National Architectural Barrier Awareness Week and ask all Americans to do all that lies within their power to remove these unnecessary barriers and to eliminate any lingering social and psychological stigma surrounding disabilities. Together we can make access a reality for all Americans.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fifth day of April, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 12:14 p.m., April 25, 1978]

## THE PRESIDENT'S NEWS CONFERENCE OF APRIL 25, 1978

### CIVIL SERVICE REFORM

THE PRESIDENT. Before I became President I realized and was warned that dealing with the Federal bureaucracy would be one of the worst problems I would have to face. It's been even worse than I had anticipated. Of all the steps that we can take to make government more efficient and effective, reforming the civil service system is the most important of all.

The civil service reform proposals which I submitted last month will return the civil service to some system of reward and incentive for the tens of thousands of superb public servants who want to do a good job for the American people. This will also give managers a chance to manage. It will reward excellence, good service, dedication, and will protect employees' vital and legitimate rights.

It will also expand the protection against political abuse that employees need in order to do their jobs well and will make our civil service one of the most dependable and one of the most effective and honest in the whole world.

Nearly everyone in our country will benefit from the civil service reform proposals. For those in private business, it will mean faster government action, less intrusion in the private sector of our economy. For taxpayers, it will mean that we get more for the money that we pay. For those who depend on government for help, it will mean better services to them, quicker, more effective.

And most of all, for the civil service employees, for the Government employees, it will mean that they can do their jobs better and more effectively. They only have one life to live, and sometimes

in a sacrificial way they want to dedicate their lives to public service, and this will let them do a better job.

When criticism and debate in the Congress lead to a stronger plan, then I'll support those changes. But I will object very strenuously to weakening our proposal. And I do object also very strenuously to false accusations, specifically one that's been raised recently that this will intrude into the privacy of public servants and injects politics and possible abuse into the system to damage those who serve the Government. In fact, to the creation of a merit protection board and an office of special counsel, political abuse is specifically removed.

I know that everyone wants a better government, particularly those of us like myself who are responsible for leadership and management of the United States Government.

In a way, I believe that our Nation is being tested these days. We have a period of relative calm, free from great crisis or threat to our national security, and we are being tested to see whether or not we can take advantage of this opportunity for improvement.

It will reveal, I think, whether we can deal with conflicting, narrow special interests and act in the national interest of our country.

Civil service reform is now before the Congress. It will test me and the Congress as well, and I believe that the Congress will give the right answer to the question: "Can we have a better government?" I think we can.

#### QUESTIONS

##### OIL IMPORTS

Q. Mr. President, where do you stand now on the possibility of imposing, by Executive order or administrative action, oil import fees, and how soon might you act?

I understand a couple of your advisers are suggesting a May 1 deadline.

THE PRESIDENT. Well, no one has suggested a deadline that early. As a matter of fact, we have just finished the fourth major element of a five-part, comprehensive fuel or energy program with natural gas deregulation. And now this is being recommended to the complete conference committee.

The next step is the crude oil equalization tax, which will be addressed by the Finance Committee in the Senate and the Ways and Means Committee in the House, representatives of them in a conference committee.

I've talked to the chairmen of both those committees about the crude oil equalization tax, the fifth element of our major proposals.

It's too early, I think, to consider administrative action. I still hope and expect that the Congress will act and will complete the fifth element of our energy plan and present the entire package as it should be to the Congress in one body.

##### ENHANCED RADIATION WEAPONS

Q. Mr. President, President Brezhnev has offered to not build the neutron bomb if you agree or the U.S. agrees to do likewise. Is that the word you're looking for to halt the program?

THE PRESIDENT. No. The Soviets know and President Brezhnev knows that the neutron weapon is designed to be used against massive and perhaps overwhelming tank forces in the Western and Eastern European area.

The Soviets, over a period of years, have greatly built up their tank forces and others, stronger than have the NATO Allies. The neutron weapons are designed to equalize that inequality, along with many other steps that our country is now taking.



The Soviets have no use for a neutron weapon, so the offer by Brezhnev to refrain from building the neutron weapons has no significance in the European theater, and he knows this.

We are strengthening NATO in other ways. Ourselves, our NATO Allies will meet here in Washington the last of May with a recommitment, which is already well in progress, for a long-range strengthening of NATO in all its aspects.

But this statement by Brezhnev concerning the neutron weapon has no significance at all.

Bob [Bob Jamieson, NBC News].

#### MIDDLE EAST ARMS SALES

Q. Mr. President, are you going to heed the calls of the congressional leadership of your own party and delay the formal submission of the package sale of war-planes to the Congress or break it up in any way?

THE PRESIDENT. Well, I've not been asked by the leadership in the Congress to delay. I have had one Senator who came to see me about holding off on this proposal. Secretary Vance and I have been in close communication, both with one another and with leaders in the Congress, for a number of weeks concerning the arms sales package that will be presented to the Congress very shortly. This package will be presented in individual, component parts to the Congress. It's the only legal way to do it.

The Congress will act on those major sales proposals individually to Israel, to Egypt, and to Saudi Arabia. Each one is important. Each one completes a commitment that has been made by either me, or, even in the case of the Saudis and Israel, our predecessors for these sales.

I look upon them as a package, and if the Congress should accept a portion and reject another, then my intent is to with-

draw the sales proposal altogether. But the Congress will not receive nor act on these proposals as a package. They have to act, according to the law, on individual items.

These proposals are in the national interest. I think it's important to our country to meet our commitments. The one that's perhaps the most controversial is the sale of F-15's to the Saudi Arabians. This was a promise that was made to the Saudi Arabians in September of 1975, to let them have a choice of F-16's or F-15's. They want these weapons for defensive purposes.

I recommitted this Nation to provide these planes both last year and again this year. And my deep belief is that, since in the Middle East our preeminent consideration is the long-range and permanent security and peacefulness for the people of Israel, that to treat the moderate Arabs with fairness and with friendship and to strengthen their commitment to us in return is in the best interests of our own country and of Israel.

We are negotiating or discussing these matters with the Congress. But there will be no delay of the sales proposal beyond the point where it can be completed by the time the Congress goes into recess—maybe 2 or 3 days, no longer than that.

Q. Mr. President, do you think it proper or do you think it right for the Foreign Minister of another government to interfere in the legislative processes of this Government? I'm talking particularly about your Middle East arms package here, legislation which you've said is in the best interest of the United States. Do you think it's right?

THE PRESIDENT. Well, I have made my decision about the arms sales package after very careful consideration, a close study of decisions and opinions expressed by my predecessors in the White House, careful consultation with the

State Department and our Defense Department, our military leaders, and I made my recommendation to the Congress—I will make it shortly—on what I consider to be in the best interests of our own Nation with a well-balanced and friendly attitude toward our allies and friends in the Middle East.

In each one of these instances, the arms sales proposals were made as a result of requests by the governments involved. And I think that's the basis on which the decision should be made, by my making the request to the Congress, by Congress considering my request for approval of the sales on the best interests of our country as judged by me and the Congress.

#### TAX REDUCTION

Q. Mr. President, many Democrats in the House Ways and Means Committee, including the chairman, are urging you to scale back your net tax cut to something under \$20 billion. And the Federal Reserve Chairman today suggested that you delay the effect of whatever tax cut until next January 1st, all because apparently they feel that it's inflationary now, looking down the road.

Will you consider either of those suggestions?

THE PRESIDENT. No. A \$25 billion reduction in taxes on the American people would not be inflationary. It is, in my judgment and the best judgment of the economic advisers who work with me, about the right figure. We only have about an 82-percent utilization of our production capacity now. We do not have excessive demand as a cause for inflationary increases in prices of our products.

We have a cycle of wage increases, price increases that kind of grow on one another. And I don't believe it would be advisable and I do not intend to change

my recommendation that the net between the tax reforms and the tax reductions would approximately equal to \$25 billion.

I think that the best time to make it effective is the 1st of October. I hope that the Congress can act rapidly enough to make the reduction effective then.

The last quarter's results of growth in our national products showed some leveling off. It needs to be kept strong and vigorous. If this tax proposal does not go through, by the end of 1979 it would cost every family in America, on the average, \$600 in income, about \$40 billion in reduced income, because of a constrained economy that did not continue to grow.

And if the tax reduction of \$25 billion was eliminated, it would mean that we would have a million more people out of work by the end of the first 12 months after the tax reduction than we would have otherwise.

So, for all those reasons and others, I think the \$25 billion in tax reduction on our people, which is needed and which would help them, is about the right figure.

#### MIDDLE EAST ARMS SALES

Q. Mr. President, just to follow up on the Middle East thing, I would like to pursue it just a little bit more maybe from a slightly different angle. The Israeli Foreign Minister, Mr. Dayan, has suggested that Israel might be willing to give up its own fighter planes in your package if the sales were stopped to Saudi Arabia and Egypt.

Now, in the light of your own professed interest in cutting back on foreign arms sales, would you consider withdrawing the entire package to prevent a new escalation of the arms race in the Middle East?

THE PRESIDENT. No, I would not. As I said earlier, the process through which

we sell arms—and this sales proposal would be completed 5 years in the future, by—I think the last deliveries would be 1983—is initiated by a request from governments, foreign governments, that we permit the sale of arms to them. As I said earlier, we committed ourselves to help Saudi Arabia with arms sales to protect themselves in September of 1975.

At the same time, approximately, in the fall of '75, our Government committed to help Israel with their proposal by making arms sales available to them. Obviously, if any nation withdrew its request for arms sales, that would change the entire procedure.

I have never heard of Foreign Minister Dayan's statement that they did not need the weapons or would withdraw their request for weapons until today. Mr. Dayan is on the way to our country. He will be meeting shortly with the Secretary of State and others, and I think only after very close consultations with them can we determine whether or not Israel desires to go ahead with the arms sales commitment that I've made to them.

But I do not intend to withdraw the arms sales proposals after they are submitted to the Congress, and I do not intend to delay.

Q. If Mr. Dayan did in fact tell you that Israel would withdraw its request, would you then be willing to pull back the whole package?

THE PRESIDENT. I can't imagine that happening, and I would rather not answer a hypothetical question of that kind.

#### MIDDLE EAST PEACE NEGOTIATIONS

Q. You mentioned that Mr. Dayan is coming. I just wonder, sir, do you have any reason at all to feel optimistic that the negotiations between Israel and Egypt can somehow be brought off dead center?

I know Mr. Atherton's been in Cairo, and you've had consultations. What is the outlook now?

THE PRESIDENT. Yes, I have reason to be optimistic, but I can't predict success anytime soon. This has been going on for 30 years.

I think compared to a year ago, for instance, remarkable progress has been made. After the visit of President Sadat to Jerusalem, there was a remarkable sense of excessive hope or euphoria that swept the world, that peace was imminent. Since then, I've met extensively with President Sadat and with Prime Minister Begin and also with the Foreign Ministers of the two countries involved. And there's still hope that we can move toward a peaceful settlement.

I think if there were not hope, that Foreign Minister Dayan would not be coming to Washington to meet with our own officials to explore further avenues for progress.

As you know, since Prime Minister Begin was here, Ezer Weizman, who is the Defense Minister of Israel, has been to Egypt twice (once)<sup>1</sup> to meet with President Sadat. So, discussions are going on and explorations are continuing.

And I am firmly convinced that both the Israelis and the Egyptians want peace. They both are concerned about the terms of peace. After years of hatred and even active combat, there's still an element of distrust about the future intentions of each other.

But I am hopeful that we can continue to make progress. My commitment is deep and irreversible. As long as I'm in the White House as President, I will continue to pursue, without any slacking of my interests or commitment, the avenue toward peace.

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<sup>1</sup> Printed in the transcript.

And I anticipate that now and in the future there will be temporary periods of discouragement and withdrawal of the negotiating parties. So, I think every evidence that I have both publicly and privately known is that both sides want peace and the progress toward peace is steady.

#### VIEWS ON THE CONGRESS

Q. Mr. President, last week you used very strong language to criticize Congress for wasting a year on energy legislation, and you also urged Congress to be more responsive to the public desire for tax reform.

Since this allegedly laggardly, unresponsive Congress is controlled by the Democrats, and since congressional elections will be held this fall, doesn't this constitute an attack on members of your own party?

THE PRESIDENT. Well, I wouldn't characterize it as an attack. I think it was an accurate description of the fact that for 12 months Congress had had a very good energy proposal before it and had not acted conclusively on it.

The day after I made that statement, the negotiating team within the conference committee did resolve to their own satisfaction the question of the regulation and pricing of natural gas, one of the most difficult political questions that ever addressed Congress. This has been kicking around now for at least 30 years. I think Truman vetoed the first natural gas de-regulation bill. I think it's a step in the right direction.

Now, out of the five major categories of proposals I made to the Congress a year ago, four of them have been resolved at least at the conference level, and now the remaining issue is the pricing of oil.

We, last year, imported \$45 billion worth of oil, too much, and I believe the Congress is beginning to see that the pub-

lic supports action on the energy legislation and that when they do act it will help our whole economy.

I think that one of the reasons that the stock market has gone up, I think almost 75 points in the last 2 weeks, unprecedented rise, is, among other things, a new commitment to fighting inflation and the apparent willingness of Congress now to act on the energy legislation—those two things.

So, I'm not attacking the Congress, but I reserve the right to point out the inactivity of Congress, which I think on occasion does inspire them to act more rapidly.

#### UNEMPLOYMENT

Q. Mr. President, a few days ago you met with some top executives of big corporations to discuss inflation. Did you discuss unemployment at the same time? If so, could you tell us about that as it relates to unemployment?

THE PRESIDENT. Yes, we did discuss unemployment. I pointed out to the executives who were here that in the last, I'd say, 12 months, because of the good action on the part of the Democratic Congress in putting into law our stimulus package, that we had had a dramatic drop in the unemployment rate, and that a year ago, they, around that table, including myself and the members of my Cabinet who were there, had been almost completely committed or concerned about unemployment. That is now going in the right direction. I think the last 3 or 4 months show that the unemployment rate is at 6 percent or a little above, almost 2 full percentage points less than it was 15 months ago, when I became President. This has got to continue.

We also discussed the fact that the focusing of Federal programs concerning reducing unemployment can now be placed upon those who are most difficult to employ—minority citizens, women,

and others who are the last ones hired and the first ones fired, and the young people who also have a very high unemployment rate.

So, we are not slackening off at all on the employment question. The programs that we put into effect are still in effect. They are getting more and more specifically effective with different groups as time goes on. My belief is that the unemployment rate will continue to decrease, particularly among those groups that I've just described and, at the same time, we can tackle inflation with a much higher concentration of our own effort and commitment and public awareness.

The two are not in conflict. We've seen that when the last administration, which happens to have been Republican, concentrated on inflation by letting unemployment go up, it did not work. So, I believe the best thing is to do what we've already done, and that is to try to hold down inflation and bring down unemployment at the same time. That's what we are trying to do.

#### LOBBYING ACTIVITY IN CONGRESS

Q. Mr. President, in view of the increased lobbying on the Hill, witness the Panama Canal and your civil service reform and all of this, can you support Senator Kennedy's new expected legislation on lobbies?

THE PRESIDENT. I strongly support the lobby control legislation that's now before the Congress. I'm not sure that I know exactly the terms of Senator Kennedy's own bill. The Congress will vote this week, the House of Representatives will vote this week, on a very effective lobby control bill, a lobby reform bill, and I support that strongly.

It was one of the themes that I pursued during my own campaign for President. We've been actively involved in

drafting it in the strongest possible terms, and I do support it.

#### INTEREST RATES

Q. Mr. President, were you surprised last week when the Federal Reserve raised the short-term interest rate, and have you any reaction to it?

THE PRESIDENT. I didn't have any prior knowledge that the Federal Reserve was going to raise the interest rates. I do get a report frequently and regularly about the supply of money and how much it is increasing. I understand after the action was taken, because of an explanation by the Chairman to Charlie Schultze, that the reason they did raise the interest rates was because the money supply was increasing more rapidly than they desired or thought was advisable for our country. And obviously, as you know, the Federal Reserve Board is completely independent of me. They have no reason to consult with me before they make a decision, and don't do it as a matter of policy.

But I think that the interest rates ought to be kept as low as possible, and as you know, I can help to control that by the form of economic proposals I make to the Congress, the budget levels and so forth. And the Congress can help to determine that by the rate of taxation and the size of the deficit, and the Federal Reserve primarily by controlling in indirect means the supply of money.

But that's an independent action. I did not know about it ahead of time. I understand the reason that they did it. I would like to do everything I can—I know that Bill Miller would, too—to hold down interest rate levels.

#### MIDDLE EAST ARMS SALES

Q. Mr. President, your spokesmen have said that there will be written assurances from Saudi Arabia and Egypt

that they will not use the warplanes against Israel in any future conflict. And further, various administration spokesmen have pointed out that the Saudi Arabian Government will be dependent on the U.S. for technical support for these planes, and this support could always be cut off in the event that a future conflict would start and that the Saudis desired to use the weapons against Israel.

Is it your understanding that both types of assurances will be in effect?

THE PRESIDENT. Well, we would not sell the planes to the Saudi Arabians if we thought that the desire was to use them against Israel. I'm completely convinced that the Saudis want their airplanes to be used to protect their own country.

The Saudis have informed officials in our Government that they do not desire to deploy them at Tabuk, which is the airfield nearest to Israel, and I know for a fact that the configuration of the weapons on the F-15 that the Saudis have offered is primarily a defensive configuration. And for those reasons I feel sure that the problems that you described are adequately addressed in the proposals that I've made to the Congress and in the statements that the Saudis have already made.

#### NEW YORK CITY

Q. Mr. President, the long-term loan package for New York City is in a great deal of trouble on Capitol Hill. I'm curious, sir, just how much of a commitment are you prepared to make to push for that legislation in the coming weeks?

THE PRESIDENT. Well, it's one of the major goals of our administration to have economic aid for New York City. The Secretary of the Treasury, Mike Blumenthal, has discussed this since the first day, first few days that we were in office, with

the mayor of New York, Beame, and now Koch, and also with Governor Carey and other officials in New York—the labor leaders, the bankers in New York City, and others. We've also had close consultations with the committees in Congress.

We have proposed a package that I think would alleviate New York City's short-term and long-term financial problems. But a major part of the responsibility has got to fall upon the people in New York City itself.

Unless New York is willing to commit themselves and to prove to us that they can and will balance the budget through careful consideration of how money is expended to the levels of taxation involved, unless the leaders in New York City, both in and out of government, prove to us and the Congress that they will operate or cooperate together to put New York City back on a sound basis, I don't think it's possible for the Congress to pass the New York City legislative proposal that we have already submitted to the Congress.

I think that, so far, indications are that all persons involved—ourselves, the congressional leaders, and the New York City officials in and out of government—are committed to this common goal. So, I believe the Congress will pass the legislation. I think the proposal we made will help to solve New York City's problems without costing the American taxpayers anything. And I believe that it will bring all of us together in a much more cooperative way.

Judy [Judy Woodruff, NBC News].

#### TAX REDUCTION AND REFORM

Q. Mr. President, if I could just follow up on an earlier tax question, how unfair do you think the tax burden is that

this country now places on the middle class? And if you do think it's unfair, then why are you so insistent on pushing tax reforms that most people believe are going to hit the middle class the worst and on resisting a rollback in social security taxes that would also penalize the middle class?

THE PRESIDENT. Well, let me answer your last question first.

One of the things that we had to do last year was to bring the social security system out of near bankruptcy into a sound economic position. Two of the three major reserve funds for the social security were on the verge of bankruptcy, and the Congress had to increase the social security payments to keep the social security system sound. They acted courageously and properly in that respect.

In order to make sure that the taxpayers in all categories, with very few exceptions, have a net reduction in their taxes this year, even after paying increased social security benefits, that's where the tax reduction proposal comes in.

If the Congress should not act in accordance with my request and lower income taxes, then there would be a net increase in taxes paid by the middle-income groups.

Another factor that has not yet been adequately publicized is that those very people who pay high income taxes, those \$20, \$25, \$30,000 citizens having that much income per year, will also get greater benefits when they retire. So, in a way it's kind of an investment for them.

We have a lot of abuses in the system that ought to be eliminated. Last year, for instance, one medical doctor, a surgeon, owns a yacht, and he took a \$14,000 tax credit, tax exemption, for entertaining other doctors on his yacht. This is legal under the present law. Most American

citizens don't have a yacht, and when they go for a small pleasure ride, if they do have a small boat, they can't deduct it as an income tax deduction. And when that doctor didn't pay his \$14,000 in taxes, other average, working American families had to pay his taxes for him.

We've another instance that I recall from the statistics I've read, that one businessman charged off 338 lunches last year, more than \$10,000 in so-called business lunches, more than many American families make in all. And the average, working American had to pay that guy's taxes for him. I think that's a gross abuse of the average American family. And that's the kind of corrections that we're trying to put in.

On Capitol Hill now there is concentrated an unbelievable number of highly qualified, very intelligent, very effective lobbyists trying to induce the Members of Congress to preserve those special privileges for people who have them because they are so powerful and so influential, now and in the past, that they could carve out for themselves some special deal in the income tax laws of our country at the expense of the average American family. That's where tax reform comes in.

So, tax reduction is important to make sure we don't put an extra tax burden on our people, even counting social security. Tax reform is necessary to let our tax code be simple and fair for a change. Both those changes, both those recommendations are urgently needed.

FRANK CORMIER [Associated Press].  
Thank you, Mr. President.

NOTE: President Carter's thirtieth news conference began at 3 p.m. in Room 450 of the Old Executive Office Building. It was broadcast live on radio and television.

## Department of Justice

***Nomination of Gilbert G. Pompa To Be Director of the Community Relations Service. April 26, 1978***

The President today announced that he will nominate Gilbert G. Pompa, of San Antonio, Tex., to be Director of the Community Relations Service at the Justice Department. He would replace Benjamin F. Holman, who has resigned.

Pompa was born October 1, 1931, in Devine, Tex. He received an LL.B. from St. Mary's University in 1958. He served in the U.S. Air Force from 1950 to 1952.

Pompa practiced law in San Antonio from 1958 to 1960. From 1960 to 1963, he was assistant city attorney for San Antonio, and from 1963 to 1967, he was assistant district attorney of Bexar County, Tex.

Pompa has been with the Community Relations Service since 1967, serving as a field representative, then assistant director for field services, then equal opportunity officer. He has been Deputy Director since 1976 and Acting Director since 1977.

## Public Disclosure of Lobbying Legislation

***Statement on House of Representatives Approval of H.R. 8494. April 26, 1978***

I want to congratulate the House of Representatives for its passage today of H.R. 8494, the proposed Public Disclosure of Lobbying Act of 1978. I am especially grateful to Congressman George Danielson for his leadership in helping to formulate the bill and guide it through the House.

Lobbying is a constitutionally protected activity that plays an important role in

the governmental process. It is precisely because of the importance of lobbying in the conduct of the public's business that it should be more open to the public's scrutiny. This bill will enable the American people to understand and see more clearly how the legislative process is being affected by organizations that engage in significant lobbying activities.

I urge the Senate to act quickly on a lobby registration and disclosure bill so that we can have an effective new law by the end of this season.

NOTE: The statement was released on April 27.

## Institutes Honoring Senators Hubert H. Humphrey and Everett M. Dirksen

***Remarks on Signing S. 2452 Into Law. April 27, 1978***

THE PRESIDENT. Senator Humphrey and Senator Wendell Anderson and the Vice President and I assembled here for a very significant signing ceremony.

This is a bill that has been passed by the Congress authorizing the Commissioner of Education to make grants to two institutes established, one in Minnesota, in honor of Senator Hubert Humphrey, the other one in Illinois, in honor of Republican leader Senator Everett Dirksen.

These institutes are designed to further the study of politics in its finest form, to improve the quality of the Congress, particularly emphasized at the Dirksen Institute. And it sets reasonable limits on how much American taxpayers' money can be devoted to these institutes, which I think is a very worthy expenditure in these instances.

Because of the close association, both in the Senate and in the home State, be-



tween the Vice President and Senator Humphrey, I've asked him to make a few comments about this. I particularly want to congratulate Senator Muriel Humphrey for the great work she and her husband did together. And Wendell Anderson is here associated with this.

I think this is a good bipartisan demonstration of the fact that both Republicans and Democrats in the Congress, when working in harmony, can further the purposes of our Nation for the best interests of the whole world. Both Senator Humphrey and Senator Dirksen were interested not only in domestic affairs in the finest sense of the word but also were interested in international matters. And to honor these two great men with these institutes for further study and analysis will be an additional benefit derived from their lives for the people of the United States.

THE VICE PRESIDENT. It was my privilege to serve for several years with Senator Dirksen, and we became very close friends. He was many things, but I've never known anybody on the Senate floor who, when he spoke, drew a more interested crowd than did Senator Dirksen. He always made the Senate an interesting institution. He loved it; he served it through most of his political career. And on his passing, I don't know of anybody who had more friends than did Senator Dirksen.

We asked Senator Baker to be with us today, but he is in Geneva for consultations in our crucial SALT talks there. And we are pleased that we have Darek and Cynthia Baker with us, their children, who are here representing their mother and father at this important event.

And, of course, our relationship with Senator Humphrey is well known. As I said some time back, he served almost as my surrogate father for years. We stood together in every conceivable kind of

battle, and I consider the matter of enormous pride and enormous privilege that I was permitted to live and to serve in public life as a close friend of one of the greatest public servants ever to serve in the history of our country.

And I'm grateful that the Congress has made these grants now in the memory of these two Senators. And it's the right kind of memorial. This will go for research, it will go for training. It will train new public leaders and scholars in political science, in public affairs, and is the kind of living memorial I am sure Muriel and Hubert wanted, I know that the Baker family wants for Senator Dirksen.

So, I'm delighted to be here, and thank the Congress for their help.

THE PRESIDENT. I know you are proud of your grandfather, and Muriel obviously is proud of her husband. Now I would like to sign these.

*[At this point, the President signed the bill.]*

Thank you very much. Congratulations.

NOTE: The President spoke at 9 a.m. at the signing ceremony in the Cabinet Room at the White House.

As enacted, S. 2452 is Public Law 95-270, approved April 27. The bill authorizes grants of \$5 million and \$2.5 million, respectively, to the Hubert H. Humphrey Institute of Public Affairs, located at the University of Minnesota in Minneapolis-St. Paul, and the Everett McKinley Dirksen Congressional Leadership Research Center in Pekin, Ill.

## Federal Audiovisual Programs

*Announcement of Results Following  
Administration Review of the Programs.  
April 27, 1978*

The administration today announced the results of a year-long review of Federal audiovisual programs. It released a report identifying areas of waste and in-

efficiency in the \$500 million spent on these programs annually, and announced steps to make expenditures more effective. The study identified such problems as:

*Proliferation and underutilization of television facilities.*

In the past, the Government has maintained no comprehensive list of facilities, and there has been little facility sharing. Many studios have been used at less than half-capacity. One agency recently proposed spending more than \$4 million on a one-time audiovisual training program, including the purchase of more than \$2 million in playback equipment. Had this expenditure been approved, at the end of a brief training period the equipment would have been sold for a fraction of the purchase price.

*Ineffective distribution of materials.*

Agencies often produce motion pictures without a clear idea of the intended audience and without an effective distribution plan. Many Government films intended for general audiences end up being shown only to limited groups.

*Agency self-promotion.*

Some films merely promote agency images rather than provide support for programs. Film proposals often simply state that the film is made to make the agency look good. This sort of effort will be barred as a result of action taken following the review.

*Wasteful duplication.*

Since there is no comprehensive catalog of Government films, duplication is common. For example, two military departments recently completed nearly identical films, at costs of more than \$70,000 each, on how to avoid being trapped by foreign agents. A third military department proposed yet another film which would use the same approach to convey the same message.

During the study, a number of projects were identified which appeared to be wasteful, duplicate existing material, or failed to identify a target audience. Already, projects totaling more than \$4 million have been cancelled. Other recommendations, still under consideration, could result in additional savings of more than \$8 million.

Based on the review, a number of agencies have already drafted new procedures to reduce waste and duplication in their audiovisual activities.

In cooperation with the Office of Management and Budget, a new Audiovisual Management Circular has been developed and put into effect. The circular included the following requirements:

- Underutilized production facilities will be consolidated, reduced in size, or closed down.
- Audiovisual material should be used to support specific agency programs, not for agency self-promotion.
- A master catalog will be prepared. To reduce duplication, agencies will be required to use the catalog to see if what they need already exists.
- Production will be justified on criteria such as need for the material, costs, intended audience, and planned distribution.
- Records of audiovisual products and expenditures on in-house production will be maintained in a single location and be a matter of public record.

The General Services Administration has been assigned the responsibility of providing guidance to agencies in implementing the circular and the recommendations made during the review.

The review of Government programs was conducted by Robert Lissit, under the direction of the Office of Telecommunications Policy and, subsequently, the National Telecommunications and Information Administration. It was coordi-

nated with members of the White House staff, with the participation of OMB's Office of Federal Procurement Policy.

For further information contact Robert Lissit (395-3122). For information about the OMB circular contact Les Fettig (395-3436).

## President's Environmental Youth Awards

*Remarks on Presenting the Awards.  
April 27, 1978*

THE PRESIDENT. I'd like to say just a word before we begin the awards ceremony.

Last year I initiated a program to recognize outstanding young people throughout our country who are moving on their own, particularly at the local community level, to improve the environmental quality of our Nation. The whole thrust of this effort is to encourage young people to participate, to analyze how they can contribute to the quality of life around their own homes in a practical way, not just a theoretical way, and to let the judgment of how successful they are be determined by those who live in the community itself.

We've got just a small group, about 15 here this morning, to receive awards that will be given by the Environmental Protection Agency. They represent about 70,000 young people who participated within the last 12 months in this very notable and worthwhile effort. And I'd like to call on Doug Costle, now, and Barbara Blum to read the citations, and I will participate in the award of the honors.

I've studied what they have done in the different communities represented here, and I think when you see what they've done, you'll understand that it's been a practical matter, in solid waste disposal sites, the quality of water in a local

stream, the enhancement of the beauty of a major community. These kinds of things are very practical, down to earth, but extremely important.

Barbara, Doug?

MR. COSTLE. Mr. President, ladies and gentlemen, the first group of young people here today are from the Marie Reed Community Learning Center. Now, they've already undertaken some beautification projects, but one of the interesting things this group of 11-year-olds is doing is planting a garden this spring to grow vegetables that in fact will be used in the school lunchroom. And they've been particularly active, and we'd like first to ask the President if he wouldn't present the award to them.

MS. BLUM. Mr. President, I'd like to present Tyrone Arrington.

THE PRESIDENT. Very good. This group, by the way, is from Washington, D.C., right?

MR. COSTLE. That's right.

THE PRESIDENT. Congratulations.

MS. BLUM. And this is Allen King.

THE PRESIDENT. Allen, which one of those vegetables are you looking forward to having? Have you got a favorite vegetable?

MR. KING. No. [*Laughter*]

THE PRESIDENT. This group has been involved, so far, in beautification, right? And you're also going to do the vegetable production. Very good.

MS. BLUM. Mr. President, Scotty Vaughan.

THE PRESIDENT. Scotty Vaughan, congratulations to you.

MR. COSTLE. Mr. President, this next young man is from Breese, Illinois, and he is really a rather remarkable young fellow. He started a very careful effort to do stream water quality monitoring. He went out and bought his own equipment, he set up his own lab, he picked eight sites. He's done over 2,000 samples to test

the water of the streams in his neighborhood for pollution. And he's picked up in those samples examples of petroleum-related discharges, of area-source discharges, and also ordinary sewage discharges. But he's done this entirely on his own. He's really quite a remarkable young man.

MS. BLUM. Steven Michael Mensing, Mr. President.

THE PRESIDENT. Steven? Tell me how the quality of—Beaver Creek, right?

MR. MENSING. Right.

THE PRESIDENT. How's the quality changed since you've been doing your tests—at all?

MR. MENSING. Since I've begun my tests, an oil pump has been removed, so that's going to take away some of the problems.

THE PRESIDENT. Very good. Make sure everybody in your community knows what they can do to make Beaver Creek a purer and more beautiful stream. Good luck to you.

MR. MENSING. Thank you, Mr. President.

MR. COSTLE. Mr. President, the next award winners are from Ballou Senior High School here in Washington. And they have been interested in a variety of things. Most notably they've started a major recycling center, and they're recycling aluminum. I think they've already recycled on the order of 10,000 cans. They also took an interest in noise problems, and they've made a number of recommendations, as I understand it, that the school's actually adopted, that have in fact reduced the noise levels with which they have to contend. And we're particularly proud of this group.

MS. BLUM. Mr. President, Donna Cunningham.

THE PRESIDENT. Donna, congratulations to you. I'm very proud of you.

I might point out that this is a per-

manent recycling center that they've established, primarily for aluminum, and they've done noise studies in their own classroom areas to make sure that noise pollution is both recognized and reduced.

This is something that could be important as a project for schools throughout the country, because quite often, we don't realize how high the noise level comes and how disturbing it can be, not only to concentration on studies but also actually to the health of the students involved.

MS. BLUM. And the second person on the project, Leslie Only.

THE PRESIDENT. Leslie, good luck to you, and thank you for the good work you've done.

MR. COSTLE. Mr. President, our final group is from B.M.C. Durfee High School in Fall River, Massachusetts. Now, they've been involved in an ongoing committee effort at the school for over 3 years. Their first area of interest was water quality, and they've done a number of surveys in that area. They've more recently gotten interested in the solid waste problems of the city, and they've spent time at the municipal incinerator, they've done air sampling at that incinerator, and they've come up with a number of very concrete suggestions on how to introduce resource recovery in that area and to improve the way the garbage problem is in fact handled.

MS. BLUM. Mr. President, may I present Mary Ellen Gurnett.

THE PRESIDENT. Mary Ellen, congratulations to you.

MS. BLUM. And this is Richard Mechaber.

THE PRESIDENT. Richard, congratulations.

MS. BLUM. Ann Marie Medeiros.

THE PRESIDENT. Ann Marie, thank you for coming.

MS. BLUM. Frances Melvin.

THE PRESIDENT. Frances, congratulations.

Ms. BLUM. Joanne Nicoletti.

THE PRESIDENT. Joanne, good luck, and thank you for the good work.

Ms. BLUM. Joseph Sabik.

THE PRESIDENT. Joseph, good to see you.

Ms. BLUM. Janet Vincelette (Ms. Blum should have said "Ann Salois.")<sup>1</sup>

THE PRESIDENT. Thank you very much. Is that the wrong name?

Ms. BLUM. Stephen Vincelette.

THE PRESIDENT. Is that right? Okay.

Ms. BLUM. Janice Yee.

THE PRESIDENT. Janice, congratulations to you.

Well, I want to say in closing that this is a group who have been chosen to represent the 70,000 other young people of their age who have participated in these practical explorations of streams, yards, and schoolgrounds, noise levels, garbage dumps, waste disposal, air pollution, every aspect of environmental quality. And what they do can make Doug Costle's job much easier in the future by cutting down on the violations of the law and the violations of the purity of the air and water and earth that God gave us in our beautiful country.

Congratulations to you, Doug, on establishing the program and seeing it grow. I hope it'll be an even greater success, Barbara, this coming year.

Ms. BLUM. Thank you.

THE PRESIDENT. Thank you, everybody. We are deeply indebted to you for setting an example for the rest of the country, and I'm proud of you.

NOTE: The President spoke at 12 noon at the ceremony in the Cabinet Room at the White House. Also participating in the ceremony were Douglas M. Costle, Administrator, and Barbara Blum, Deputy Administrator, Environmental Protection Agency.

<sup>1</sup> Printed in the transcript.

## Consumer Affairs

*Memorandum From the President.*  
*April 27, 1978*

### *Memorandum for the Heads of Departments and Agencies*

Because decisions made by government have a direct and substantial impact on the American consumer, I have a firm commitment to consumer involvement in government. One of this Administration's principal goals is to ensure that each agency of the Federal Government adequately responds to consumer needs in its development of policy and provides adequate opportunities for consumer participation in its decisionmaking processes.

Therefore, I am immediately strengthening the White House Office of Consumer Affairs and increasing its responsibilities. I am asking my Special Assistant for Consumer Affairs, Esther Peterson, to fulfill the following responsibilities:

- To participate in the development of domestic policy decisions and to advise me concerning the potential impact on consumers of proposed or existing policies and programs, and pending legislation so that I may have the benefit of the consumer point of view when making decisions.
- To survey the consumer programs of the various Federal agencies in order to determine if there is a meaningful consumer presence in each agency and to make recommendations to me on how my Administration might further assure consumer involvement in agency decisionmaking.
- To undertake a complete review of Federal agency consumer programs and to advise me as to whether these programs are responsive to the needs of consumers consistent with the consumer policies and goals of my Ad-

ministration. I am asking that this review be completed in time for our FY 1980 budget assessments and our 1979 legislative proposals.

- To coordinate the activities of Federal agency consumer programs in order to avoid duplication and to ensure that they are efficiently administered.

To assist my Special Assistant for Consumer Affairs in fulfilling these responsibilities, I direct all executive departments and agencies to cooperate with and provide information to my Special Assistant as needed. In implementing these responsibilities, my Special Assistant will, from time to time, consult and meet with the Secretary, or appropriate Assistant Secretary, of each Federal department and agency responsible for consumer programs, for the purpose of establishing a framework within which to evaluate and review the policies, budgets, activities, and structure of consumer-related programs in each agency.

I have also asked my Special Assistant for Consumer Affairs to meet with responsible representatives of business, labor, farm, and consumer groups in fulfilling the new responsibilities outlined in this memorandum.

I am confident that all will give their full support to my Special Assistant in the performance of new responsibilities and duties outlined here.

JIMMY CARTER

## Export of Special Nuclear Material to India

*Message to the Congress Transmitting Executive Order 12055. April 27, 1978*

*To the Congress of the United States:*

I am transmitting herewith, pursuant to Section 126b(2) of the Atomic Energy

Act of 1954, as amended, an Executive Order authorizing the export of 7,638 Kgs. of low-enriched uranium to India for use in the fueling of its Tarapur Atomic Power Station.

In our Agreement for Cooperation with India, the United States agreed to supply all of the fuel requirements for that Power Station, and India agreed to operate it exclusively on U.S.-supplied fuel. We contracted to supply the specific fuel here involved a number of years ago.

An application for a license to export this fuel was submitted to the Nuclear Regulatory Commission early last year. This application was carefully reviewed within the Executive Branch, which concluded that the proposed export would not be inimical to the common defense and security, that it would meet all the immediate statutory criteria under the then pending Nuclear Non-Proliferation Act, and that the license should be issued. Later that month, the Commission was officially notified of the Executive Branch findings and recommendations.

On April 20, the Nuclear Regulatory Commission found itself unable to agree upon the issuance of this license, being divided by a 2-2 vote. The Nuclear Non-Proliferation Act of 1978 wisely provided for just such a contingency. Previously, there was no clear way of dealing with a situation in which the Commission was unable to decide upon the issuance of an export license, and no way of ensuring that in cases where the licensing process would lead to a result that the President believed would be seriously prejudicial to the achievement of United States non-proliferation objectives, such prejudice could be avoided.

I have determined that this is such a case. The Government of India has given

us its commitments to use our exports only at the Tarapur Atomic Power Station and not for any explosive or military purpose, and I have the highest confidence that it will honor these commitments. I am convinced that denial of this export would seriously undermine our efforts to persuade India to accept full-scope safeguards, and would seriously prejudice the achievement of other U.S. non-proliferation goals. I intend to pursue these matters further with the Government of India.

A period in which to seek agreement to full-scope safeguards was clearly provided for in the Act. The Act permits a continuation of exports during this period, including exports in cases where there are questions as to whether and when that objective may be achieved. Rather than prejudice the prospects for success in such efforts by refusing to fulfill an existing commitment that is important to India's power supply, we should be using this period to find, in the light of the new legislation's requirements, mutually acceptable ways of meeting both India's need for continued operation of the Tarapur Atomic Power Station and our need for full-scope safeguards and the attainment of other non-proliferation objectives.

In transmitting this Executive Order to you pursuant to Section 126b(2) of the Act, I wish to make clear that I am not departing from the reservations I expressed at the time I signed the Nuclear Non-Proliferation Act of 1978 concerning the constitutionality of provisions of that Act which purport to allow Congress to overturn my decisions by actions not subject to my veto power.

JIMMY CARTER

The White House,  
April 27, 1978.

## Export of Special Nuclear Material to India

**Executive Order 12055. April 27, 1978**

By virtue of the authority vested in me as President by the Constitution of the United States of America and by Section 126b(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2155), as amended by Section 304(a) of the Nuclear Non-Proliferation Act of 1978 (Public Law 95-242, 92 Stat. 131), and having determined that withholding the export proposed pursuant to Nuclear Regulatory Commission export license application XSNM-1060 would be seriously prejudicial to the achievement of the United States non-proliferation objectives, that export to India is authorized; however, such export shall not occur for a period of 60 days as defined by Section 130g of the Atomic Energy Act of 1954, as amended.

JIMMY CARTER

The White House,  
April 27, 1978.

[Filed with the Office of the Federal Register,  
11:42 a.m., April 27, 1978]

## President's Commission on Mental Health

**Remarks on Receiving the Commission's Final Report. April 27, 1978**

Rosalynn mentioned that last February, when we established the Commission, that I didn't authorize much time nor money. She pointed out in February how difficult it would be to bring together the widely and disparate groups who have always been interested in mental illness of all kinds and get a report completed in this short a period of not much more than a year. I told her that all she had to worry about was getting a mental health report

finished by April, that I would have a comprehensive energy plan finished by October last year. [*Laughter*]

So, I launched my effort by calling it the moral equivalent of war. The other night Rosalynn said that if the President and the Congress in the Pacific war in the 1940's had been as effective as the Congress and I have on the energy plan, that the people in Plains would all be speaking Japanese. [*Laughter*]

I have seen my wife and dedicated professionals and volunteers work on improving the mental health status in Georgia while I was Governor. And I knew that in the choice of this Commission, who stand behind me on the stage, that we had put together a group with a wide range of credentials, experience, dedication, knowledge, and commitment that would be unexcelled. They were each chosen very carefully. They've worked harmoniously together.

About one out of seven Americans need mental treatment of some kind at any particular moment. This affliction in all its varied forms touches almost every family in the United States. The effort to bring treatment to those who lack it because of discrimination, because of inattention on the part of public officials, because of an inadequate allotment of medical care from one community to another, because of an absence of close cooperation between the Federal, State, and local governments, between government and the private sector of our Nation, between those who deal in physical health and the inseparable questions of mental health, have caused this unnecessary suffering.

Twenty-five years ago we spent about \$1.7 billion on mental health in this country. Now we spend ten times this much, about \$17 billion, about half of which is public funds. I've looked through this report, and Rosalynn has explained to me

the major thrust of it. It is a superb analysis of the problems that we still have in the adequate delivery of mental health care to the people of our country.

There is not a heavy emphasis on increased budget allotments nor initiation of new programs, but there's an emphasis on how we can coordinate delivery of existing programs better with some modest increase in the budget which I intend to support and recommend to the Congress next year.

In this allotment of additional funds, which, as I say, is very modest, we will emphasize the prevention of mental illness, the care for those who chronically suffer from mental illness, the training of additional personnel who are qualified to treat those who suffer from this illness, the better distribution of their services around the country and to communities which are not presently served, and additional research to determine with a minimum expenditure of American finances how we can better deal with this severe problem that our Nation still experiences.

This will not be a costly program, but it will be a program that can save enormous amounts of public funds, because to care for a person who is suffering from mental illness unnecessarily is an extremely expensive proposition, costing tens of thousands of dollars, sometimes each year, for a normal lifespan of 50 or 60 years, for a mentally afflicted person. So, it's an excellent investment in the future.

I'm very grateful for what my wife has done, Tom Bryant, and the members of the Commission. I've never seen a group work with more dedication and produce a better product. And I and Joe Califano, Pat Harris, and the Members of the Congress who are here—Senator Kennedy is here representing the Senate, Paul Rogers is here representing the House—we are all dedicated to carrying out the recom-



mendations of this report. I think it will have a profound beneficial effect on our country in years to come.

And as President I'm deeply indebted to this group and the 450 other people who worked on this report for what they have contributed to our own ability to serve the American people better. Rosalynn and all of you, thank you very much for what you've done.

**NOTE:** The ceremony began at 2 p.m. in the East Room at the White House. Prior to his remarks, the President received the report from Mrs. Carter, Honorary Chairperson of the Commission. Dr. Thomas E. Bryant is Chairman of the Commission.

The report is entitled "Report to the President From the President's Commission on Mental Health, 1978" (Government Printing Office, 94 pages plus appendices).

## Loyalty Day, 1978

**Proclamation 4567. April 27, 1978**

*By the President of the United States  
of America*

### A Proclamation

Throughout the remainder of our third century of national existence, America will face problems that will differ markedly from those we have confronted in the past. Yet some things will remain constant. Among these is the loyalty of the American people.

Because we are a free people, the loyalty we feel to our country is deeper than that which any imposed political or ideological orthodoxy could possibly evoke. And as long as we continue to remain faithful to the principles and freedoms on which our republic was founded, that loyalty will see us through whatever challenges lie ahead.

To encourage the people of the United States to reflect upon the liberties and

institutions that have inspired the loyalty of so many generations of Americans, the Congress, by joint resolution of July 18, 1958 (72 Stat. 369; 36 U.S.C. 162) has designated the first day of May of each year as Loyalty Day and has requested the President to issue a proclamation calling for its appropriate observance.

Now, THEREFORE, I, JIMMY CARTER, President of the United States of America, call upon all Americans to observe Monday, May 1, 1978, as Loyalty Day. I ask the appropriate officials of the Government to display the flag of the United States on that day on all Government buildings.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-seventh day of April, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 11:25 a.m., April 28, 1978]

## The President's Visit to Panama

**Announcement of the Visit. April 28, 1978**

President Carter has accepted an invitation from Brig. Gen. Omar Torrijos to visit Panama. In consultations with Panama, the dates of June 16 and 17 have been set for the visit.

The principal purpose of the visit is to sign the protocol confirming the exchange of the documents ratifying the Panama Canal treaties. Pursuant to a reservation adopted by the Senate, the effective date of this exchange will be March 31, 1979, unless Congress passes implementing legislation at an earlier date.

The details of the President's schedule are being worked out with the Government of Panama.

## Tree-Planting Ceremony

*Remarks at the Planting of a Cedar of Lebanon on the White House Grounds.  
April 28, 1978*

THE PRESIDENT. *Mr. Ambassador and Senator Abourezk, Congresswoman Oakar, Congressman Toby Moffett, and distinguished members of the American Lebanese community:*

This afternoon we are participating in a ceremony that has both enjoyable connotations and, I think, very strong historical and symbolic significance. In the Bible, the Cedars of Lebanon are mentioned more than 60 times, and there are on the hills near Beirut trees that have been living there for more than 2,500 years, symbols of beauty and strength of an ancient and proud heritage and of the symbolism of peace and a commitment to historical development.

Since 1943, Lebanon, as an independent nation, has been a good exemplification for democracy in the finest aspects of that form of government which we share.

The tree that we plant today is one of the Cedars of Lebanon, and it will be here on the historic White House grounds, a constant reminder of these attributes which I've just described, and also of the friendship that binds our country with the nation of Lebanon.

There are many people who live in the United States whose families still live in Lebanon and who have maintained their close kinship and friendship there. I look on Lebanon with a heart filled with gratitude and appreciation, friendship, and also deep sorrow and concern.

In recent months and in recent years, I don't know of any nation that has suffered more in an unwarranted, undeserved way than has Lebanon and her

people. Just in recent weeks, hundreds of Lebanese have been killed, and perhaps 200,000 made homeless. The heart and the concern of the world go out to the people of Lebanon.

We hope and we pray that soon peace can come to that fine and noble and beleaguered and suffering land and that the brave people there, who have set an example for progress in the Middle East, can have peace restored to their country. Hardly a city or town or hamlet or family exists in Lebanon that hasn't suffered recently and very deeply, and I'm very grateful that these Lebanese Americans assembled around me have honored the people of the United States and the White House grounds itself by this gift of this Cedar of Lebanon tree.

Thank you all on behalf of our country. And I'm dedicated, through reminder of this gift and through my own knowledge and commitment, to seeing that the ties that have been of such great importance to us in the past will be even stronger in the future—the friendship between the people of Lebanon and the people of the United States.

Thank you very much.

PAUL A. COREY. *Mr. President, responding on behalf of the American Lebanese League and the total American Lebanese community in this country is our distinguished national chairman, Dr. Elias Saadi.*

DR. SAADI. *Mr. President, distinguished assembly:*

An old Arabic saying goes that the hand of God rests on the heart of the King. Today, by planting this Cedar of Lebanon, you have touched our hearts, sir, our hearts so heavily burdened with agony of the Lebanese people, and, Mr. President, you have consoled us. By

this generous and symbolic act, you have signaled to the world your concern.

This cedar, which is so much celebrated in Scripture, has become a symbol of strength and timelessness. Today this cedar, which provides so much inspiration to us as Americans, is a symbol of hope to free people everywhere. We plant this tree in the fertile soil of our land and hope that it takes root in its adopted country as did our forefathers. Let it be a constant reminder of their success in becoming part of the American dream. Let it be a constant remembrance of the traditional ties between the United States and Lebanon, and let it be a living memorial that righteousness and justice in the pursuit of human rights are indeed enduring virtues.

Today, Mr. President, the Lebanese people are struggling to preserve their democracy and their freedom and retain a society of genuine pluralism. As a result, their human rights have been violated in a serious and significant way.

We express our gratitude to you, Mr. President, for your leadership in the action taken by the United Nations in forming the U.N. Interim Force in Lebanon, UNIFIL. We hope this will lead and expect it to lead to the ability of Lebanon to be the sole authority within its borders. We look to you, Mr. President, for continued leadership for a stable Lebanon, which we believe is the key to Middle East peace.

Thank you.

THE PRESIDENT. Thank you very much.

NOTE: The President spoke at 2:16 p.m. at the Southwest Jefferson Mound on the South Grounds. Also participating in the ceremony were Lebanese Ambassador to the United States Najati Kabbani, and Paul A. Corey, president, and Dr. Elias T. Saadi, chairman of the board of the American Lebanese League, which had presented the cedar to the President.

## National Transportation Safety Board

*Nomination of Francis H. McAdams To Be a Member. April 28, 1978*

The President today announced that he will nominate Francis H. McAdams, of Washington, D.C., for reappointment as a member of the National Transportation Safety Board for a term expiring December 31, 1982.

McAdams was born December 27, 1915, in Brooklyn, N.Y. He holds A.B., LL.B., and LL.M. degrees from Georgetown University. He served in the U.S. Navy from 1942 to 1946.

From 1946 to 1948, McAdams was a corporate and trial attorney for Capital Airlines, and from 1948 to 1951, he was an attorney-trial examiner and air safety investigator for the Civil Aeronautics Board. From 1951 to 1954, he was senior trial attorney for the Civil Aeronautics Board.

From 1954 to 1958, McAdams practiced law in Chicago. He was executive assistant and legal adviser to the Chairman of the Civil Aeronautics Board from 1958 until 1967, when he became one of the original members of the National Transportation Safety Board.

## Territory of Guam

*Message to the Congress Transmitting the Territory's Proposed Constitution. April 28, 1978*

*To the Congress of the United States:*

In accordance with the provisions of Section 5 of the Act of October 21, 1976 (Public Law 94-584), I am hereby transmitting for the consideration of the Congress a proposed constitution for the Territory of Guam. The constitution, drafted by a territorial constitutional convention,

was officially submitted to the Secretary of the Interior, who accepted it on my behalf, by the Honorable Ricardo J. Bordallo, Governor of Guam, on March 1, 1978.

Public Law 94-584 requires that I submit the constitution to the Congress, along with my comments. I am confident that the Congress will share my belief that the basic principles incorporated into the constitution provide a firm foundation upon which the people of Guam can assume greater responsibilities of local self-government in political union with the United States. Because it is their constitution, and must be respected as such, I shall confine my comments to those aspects of the document which relate directly and significantly to the territorial-Federal relationship. Accordingly, I would like to bring to the attention of the Congress the following aspects of the proposed constitution:

—Contrary to the express requirement of Section 2(b)(1) of Public Law 94-584 (the Enabling Act), the constitution does not explicitly recognize the sovereignty of the United States over Guam or the supremacy of its laws, a point noted by the Departments of State, Justice, and Interior in their reviews of the document. Accordingly, I ask the Congress to consider complications which could arise with respect to future claims of sovereignty and supremacy should it decline to take any of the corrective actions prescribed in Section 5 of the Enabling Act.

—Article IV, Section 1, of the constitution vests in the elected Governor responsibility for the faithful execution of the Constitution and laws of the United States applicable to Guam. In view of the Supreme Court's decision in *Buckley v. Valeo* (424 U.S. 1) that persons who enforce the laws of the United States must be appointed in the constitutionally prescribed manner, I ask the Congress to

give careful consideration to this provision. Moreover, I suggest to the Congress that responsibility for the execution of Federal law is not a matter of local self-government and invite the Congress to consider whether the inclusion of such a clause, even if deemed constitutionally permissible, could lead to friction between the Governor and the Federal Government.

—Article V, Section 4(a), of the constitution provides for legislative apportionment on the basis of the number of registered voters in each district. I call to the attention of the Congress the Supreme Court's admonition in *Burns v. Richardson* (384 U.S. 73) and *Ely v. Klahr* (403 U.S. 108) that the use of voter registration as a basis may perpetuate underrepresentation of groups constitutionally entitled to participate in the electoral process and is permissible only if it produces a distribution of legislators not substantially different from that which would have resulted from the use of a permissible population basis.

—Article X, Section 4, of the constitution would amend the provision in Section 11 of the Organic Act of Guam (48 U.S. 1423a), which imposes public debt limitations on the territory. In light of the territory's fragile local economy and the continued financial responsibility of the Federal Government for Guam, I ask the Congress to give careful consideration to this provision.

In view of its responsibility under the Territories Clause of the United States Constitution, the Congress may wish to review the proposed constitution for Guam on bases other than just the effect of its provisions on the territorial-Federal relationship to which I have limited my comments.

Specifically, the appropriate committees of the Congress may wish to examine whether certain provisions of the Guam

constitution are drafted with sufficient clarity to avoid the type of litigation that could preclude effective government. For example, the elevation to constitutional status of certain rights in Article II of the proposed constitution could cause such a result. Under our own system, many of these same rights are provided for by statute, not by the Constitution itself.

Also, the amendment procedure contained in Article XIV of the proposed constitution does not provide for review by the Congress, a requirement which does pertain to the basic document. The Congress may wish to consider the friction which could arise between Guam and the Federal Government should the constitution be amended in a way which would conflict with United States law.

Accordingly, I have directed the Attorney General and the Secretary of the Interior to provide the appropriate committees of both Houses with such technical advice and assistance as may be required. Both Departments have conducted thorough analyses of the proposed constitution and can offer the Congress additional information and recommended changes in language should the Congress choose to take any of the corrective actions prescribed in Section 5 of the Enabling Act.

I trust these comments will be of use to the Congress in its review.

JIMMY CARTER

The White House,  
April 28, 1978.

## National Federation of Democratic Women

*Remarks at a White House Reception.  
April 28, 1978*

THE PRESIDENT. Thank you very much for coming.

How many of you think we're going

to have a tremendous Democratic victory in 1978? [Applause] How many of you helped us have a big Democratic victory in 1976? [Applause] Thank you very, very much.

Well, the National Federation of Democratic Women has meant a lot to me even before anyone knew I had any plans to run for President. In May of 1974, I made a speech in Omaha, Nebraska. Was anyone here there? [Applause] Very good. And a little bit after that, three women drove all the way from Kansas down to Atlanta to ask me if I would run for President in 1976. And, as you know, I took their advice. [Laughter] And I've been taking the advice of Democratic women both before and since, and your advice turned out, at least for me and, I think, the Nation, to be good.

Is Margaret Hobelman here, or Marie Vickers, and Harriet [Terry]? Very good. Well, I thank those three women and all of you for being so vital to me in my own campaign and to the country.

Let me say just a few things that are of importance to you and to our country and to me. I believe in the United States and what it stands for, and I believe in the Democratic Party and what it stands for.

For 8 years, as you know, in this house, the White House, we didn't have a Democratic vision, we didn't have a Democratic conviction, we didn't have Democratic leadership and Democratic Party ideas. But all that time, the essence of what our Nation is, what it stands for, what the Democratic Party is, what it stands for, was living in the hearts and minds of a majority of the American people and was nurtured and kept alive by you and those like you who never gave up hope for seeing our programs and our commitments realized in this great country.

There are more than 200,000 women listed as members of this organization. About 40 States are represented here this afternoon. And we have begun to put into

effect, with the help of an excellent Democratic Congress, those things for which our Nation yearned for all those years.

This time last year the overwhelming concern of the American people, myself, the Congress, all of you, was to put Americans back to work. We added more than 4 million net jobs in the United States in 1 year, thanks to you, thanks to the Democratic Congress. And we saw the unemployment rate drop from about 8 percent, now to just one-tenth of a percent above 6. And there's a renewed hope and confidence among American people that Democrats can provide jobs for those that want to work.

Now we've got another problem, equally important, that needs to be addressed with the same degree of commitment, confidence, and tenacity, and that is to control inflation, which is tending to sweep across our country. And with tough, sound management and a commitment by industry, business, and labor and government to deal with this difficult issue, I believe we can also hold down inflation. Do you all agree? *[Applause]*

We've tried to revive, through leadership in the White House and from the Congress, a realization of what it is that makes Americans proud. We've suffered a great deal in recent years from the Vietnam war. We've suffered from the embarrassment of Watergate, from the revelation of illegalities in the CIA, and Americans had kind of lost their spirit. But after 2 years of campaigning with the help of many of you, and because of the advice of many of you, we've raised a standard now around the world which is rallying people in all nations to recommit themselves to freedom, to individuality, to democracy under the broad banner of human rights.

That's what our Nation stands for; that's what we're going to stand for as

long as I'm in the White House and as long as you give me your support.

One of the tough things that I have found to deal with in Washington is the Federal bureaucracy. It's a lot worse than I thought it was, and we are trying to do something about it.

One of the things that you helped me with already this year is to restore the stature and the mutual trust that exists and can exist even more vividly between our own Nation and the developing nations of the world, particularly in Latin America. You helped me with the Panama Canal treaties. We won a tremendous victory, and I thank you for it.

Now we've got another domestic assignment, and that is to reform the civil service system. We want to have a government where the very fine and dedicated public employees who have one life to live and who have chosen to make their career in helping other people through government processes a part of the democratic system. In the past they have been hamstrung by a mechanism or bureaucracy that doesn't work, and we are trying to reform that system. And I need your help on that as well, and I hope you will give me that help.

Please contact all the Members of Congress that you know—and that's probably every one of them—and make sure they help. It'll be a good thing politically. It'll be a great credit to the Democratic Party. It'll make my job easier and make our own government more responsive to the people's needs.

Now, there are a lot of parts of that reorganization. I'd just like to mention one of them to show you how difficult this is politically, but how important it is to our country, and that's the subject of veterans preferences. I'm a veteran. I served 11 years in the Navy. My father was a veteran. He served in the First

World War. My son is a veteran. He served in Vietnam. But we have too long had veterans preferences in government hiring that were much greater, much more stringent than the Congress ever originally intended.

The purpose of the veterans preference was to help those who offered their lives and their time to serving our country in a time of danger, but they've been abused because of the great political influence of the veterans organizations—and I belong to the American Legion. But now we have a provision whereby an officer can serve in the Navy at a very reasonable salary these days, can retire after 20 years of service on a very healthy pension, and when he comes to get a job in the Federal Government, he has preference over anyone else who applies if he has a reasonably good score on the test. And many times there are qualified women and others who make 100, who make a perfect score on the competitive test, who cannot even be considered for a job.

So, what we want to do is to keep the veterans preference for those who have served in the Armed Forces for the last 10 years. That will get all the Vietnam veterans and those who are disabled and let the rest of the veterans compete with you for jobs in the Federal Government. That's one of the things we want to do.

But you can see that if you are quiet or timid or don't much care, then, of course, the veterans organizations and others are going to keep those preferences that they have. So, we need to have you fight hard to make these changes.

Among the top civil service grades, the managers, 65 percent of those are male veterans; 3 percent are women. That needs to be changed. And if you'll help me, we'll change it.

Let me just say one other thing. This is going to be a difficult political year, because we've addressed some highly controversial subjects that had never been dealt with in a forceful and aggressive way before. The Panama Canal Treaty is just one of them.

We're looking for a comprehensive, permanent peace in the Middle East. We are expanding our interests into Africa. We are looking for a SALT agreement, a comprehensive test ban. We are trying to bring a settlement to the Cyprus question, many other very controversial foreign affairs questions that we are dealing with.

We're looking for a comprehensive energy policy, and I think you all know that every time you address one of these longstanding, political questions, you arouse opposition from those who have benefited in the past from dormancy. And when you address something like tax reform, you really shake up people that, because of influence and privilege, get some special preference in the tax codes, and you know who pays for it is Democrats. The Republicans are the ones ordinarily that get the benefits. The Democrats are the ones that pay for it. We need to change that, right? [*Applause*]

Well, we were partners in 1976, when I was elected President. We'll be partners again this year in electing Democrats to the Congress. But the most important partnership of all is the one that must exist between organized Democratic women and the administration here in Washington and in the statehouse as well, who try to serve our country in an effective way.

So, I hope you will get involved directly in the campaign contest during 1978. It's crucial that we show the Nation that we stand for the principles that have always been important to our party, that we are effective in administering the

affairs of elected office, that we can work in harmony even in very controversial times, and although there's a slight malaise and a distrust of government left over from the previous administration, we Democrats are going to correct that if we work together in the future.

Thank you very much, God bless you.

One other thing I want to say: I love every one of you.

Thank you very much.

MRS. CARTER. I just want to welcome you to the White House and tell you how glad I am that you're here.

I look around and see so many faces of people that I walked up and down the streets with and campaigned with. And I want you to know that this house belongs to you as much as it does to us, and we know that we wouldn't be here if it had not been for your help.

Another thing, as Jimmy said, we need your continuing help, because you can not only influence your representatives in Congress but you can help us influence public opinion, the people around you. You're organized, you're strong, and we have to have the public opinion on our side as we work together to make our country a better place to live and to work and to play. So we need you, we need your help. And welcome to the White House.

THE PRESIDENT. Joan Mondale has already made a talk to you, but I want to let you know that we've been blessed here in the White House and in the Oval Office with the best pair of partners that anyone ever had. There is no decision that I make that's not shared with Fritz Mondale. There's no information that I have about the most top-secret international and sensitive issues that he doesn't share with me completely. I have never had a meeting since I've been President from which he was excluded, and he has never disappointed me at all.

One thing that I would like to see us all do together this year is get the equal rights amendment passed. Okay? [*Applause*]

Goodbye, everybody. See you all later.

NOTE: The President spoke at 4:48 p.m. in the East Room at the White House to delegates to the National Federation's 1978 convention.

## Civil Aeronautics Board

*Executive Order 12056. April 28, 1978*

### EXEMPTION OF G. JOSEPH MINETTI FROM MANDATORY RETIREMENT

G. Joseph Minetti, Member, Civil Aeronautics Board, became subject to mandatory retirement for age on July 31, 1977, under the provisions of Section 8335 of Title 5 of the United States Code unless exempted by Executive Order. Mr. Minetti was exempted from mandatory retirement until September 30, 1977, by Executive Order No. 12006 of July 29, 1977, until October 31, 1977, by Executive Order No. 12011 of September 30, 1977, until January 31, 1978, by Executive Order No. 12016 of October 31, 1977, and until May 1, 1978 by Executive Order No. 12037 of January 31, 1978.

In my judgment, the public interest requires that G. Joseph Minetti continue to be exempt from such mandatory retirement.

NOW, THEREFORE, by virtue of the authority vested in me by subsection (c) of Section 8335 of Title 5 of the United States Code, I hereby exempt G. Joseph Minetti from mandatory retirement until August 31, 1978.

JIMMY CARTER

The White House,

April 28, 1978.

[Filed with the Office of the Federal Register, 10:44 a.m., May 1, 1978]



## Middle East Arms Sales

*Remarks by the Secretary of State on the Administration Proposals. April 28, 1978*

The administration is today transmitting to Congress formal notification of proposals to sell aircraft to Israel, Egypt, and Saudi Arabia. As indicated in our informal notification last February, the proposed sales involve 75 F-16's and 15 F-15's to Israel, 50 F-5's to Egypt, and 60 F-15's to Saudi Arabia.

These proposals are an important part of our search for peace in the Middle East. They maintain and enhance our close relationship with three key governments in the Middle East. Each of the three countries has a unique contribution to make to the objective of achieving a lasting peace.

As a nation, we have a strong and unshakable commitment to the security of Israel. The proposed sales to Israel will help preserve Israel's ability to defend itself.

The proposed sales to Egypt and Saudi Arabia have been based upon careful analysis of how best to meet their defense needs while maintaining the military balance in the region. These transactions will enhance the confidence in and friendship toward the United States on the part of each of these two countries with which we share vital mutual interests.

The proposed sales make it possible for the United States to maintain our historic commitment to the security of Israel while at the same time developing closer ties with moderate Arab nations which strongly support the peace process. They reflect our best judgment as to the national interest of the United States.

In submitting these proposed sales to Congress on the same day, the administration is not attempting to place conditions on the scope of the congressional review or the action by Congress. Indeed, we understand that the Congress will want

to review these important transactions separately and with great care. We stand ready to facilitate that process.

At the same time, the responsibility of the President for the conduct of foreign affairs requires that he reserve judgment on the ultimate action to be taken until he has had an opportunity to review the action taken by the Congress on the proposals announced today.

NOTE: Secretary Vance spoke at 5:15 p.m. to reporters assembled in the Briefing Room at the White House.

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *April 22*

The President met at the White House with Zbigniew Brzezinski, Assistant to the President for National Security Affairs.

The President declared a major disaster for the State of Minnesota as a result of severe storms, ice jams, snowmelt, and flooding, beginning about March 13, which caused extensive public and private property damage.

The President declared an emergency for the State of Arkansas because of the impact of tornadoes which struck Lonoke County on April 17.

### *April 24*

The President met at the White House with:

—Dr. Brzezinski;

—Frank B. Moore, Assistant to the President for Congressional Liaison;

- the Cabinet;
- Senators Frank Church of Idaho and Paul S. Sarbanes of Maryland to express his thanks for their efforts on behalf of the Panama Canal Treaty;
- Vice President Walter F. Mondale;
- Fumihiko Togo, Japanese Ambassador to the United States;
- Attorney General Griffin B. Bell, Benjamin R. Civiletti, Acting Deputy Attorney General, and Robert J. Lipshutz, Counsel to the President;
- Secretary of the Treasury W. Michael Blumenthal and Representatives Barber B. Conable, Jr., of New York and Bill Frenzel of Minnesota, to discuss tax reform;
- Vice President Mondale, Secretary of State Cyrus R. Vance, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski.

The President informed the United States International Trade Commission of his decision to disapprove the Commission's determination concerning certain welded stainless steel pipe and tube.

*April 25*

The President met at the White House with:

- Dr. Brzezinski;
- Senator Dick Clark of Iowa and Stuart E. Eizenstat, Assistant to the President for Domestic Affairs and Policy;
- Democratic members of the House Committee on the Post Office and Civil Service to discuss civil service reorganization;
- Representative Dan Rostenkowski of Illinois;
- Mr. Moore;
- Adm. Stansfield Turner, Director of Central Intelligence, Dr. Brzezinski, and Mr. Jordan.

The President has declared an emergency for the State of Mississippi because of the impact of tornadoes which struck widespread areas of the State on April 17.

The President has declared an emergency for the State of Alabama because of the impact of tornadoes which struck widespread areas of the State on April 18.

*April 26*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- the Congressional Black Caucus;
- George Meany, president of the AFL-CIO;
- Secretary of Defense Harold Brown, Admiral Turner, and Senators Birch Bayh of Indiana and Walter D. Huddleston of Kentucky;
- Representative Harley O. Staggers of West Virginia and Nancy L. Riffe, Strawberry Queen of West Virginia;
- Senator Mike Gravel of Alaska, Guy Stringum, representing the Organization for Management of Alaska Resources, and Mary Jo Evans, representing the Valdez, Alaska, chamber of commerce;
- Charles O. Jordan, National Educational Administrator of the Year, and Mrs. Ardis Morton, Educational Secretary of the Year;
- Mrs. Carter;
- Senator James R. Sasser of Tennessee;
- Alan K. Campbell, Chairman of the United States Civil Service Commission, Kenneth Blaylock, president of the American Federation of Government Employees, and Tom Donahue, assistant to the president of the AFL-CIO.

It has been agreed upon through consultations that Dr. Zbigniew Brzezinski, Assistant to the President for National Security Affairs, will visit the People's

Republic of China from May 20 to May 23. In accordance with the Shanghai Communiqué of February 1972, Dr. Brzezinski will engage in consultations with Chinese leaders. Dr. Brzezinski will also visit Tokyo and Seoul for consultations with leaders in Japan and the Republic of Korea.

The President is recommending to the Democratic National Committee, at the suggestion of Chairman John C. White, that Chief of Protocol Evan S. Dobelle be named to the position of treasurer of the Democratic Party. The President, with the concurrence of the Secretary of State, will name Mrs. Evan Dobelle to the position of Chief of Protocol.

The President transmitted to the Congress the 1976 "Annual Report of the Secretary of the Interior Under the Federal Coal Mine Health and Safety Act of 1969," which contained reports of activities of the Mining Enforcement Safety Administration and the Bureau of Mines.

*April 27*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- members of the House Committee on the Post Office and Civil Service to discuss civil service reorganization;
- Ambassador at Large Arthur J. Goldberg;
- Secretary of Energy James R. Schlesinger and Representatives James C. Corman of California and Charles B. Rangel of New York;
- Representative Henry S. Reuss of Wisconsin.

Prime Minister Takeo Fukuda of Japan will visit Washington May 1–3 for talks

with the President, the Secretary of State, and other officials of the executive and legislative branches.

*April 28*

The President met at the White House with:

- Vice President Mondale, Secretary Vance, Secretary Brown, Dr. Brzezinski, and Mr. Jordan;
- Mr. Moore;
- Charles L. Schultze, Chairman of the Council of Economic Advisers;
- a group of editors and news directors (transcript will be printed next week).

The President is appointing Tim Kraft, Special Assistant to the President for Appointments, as Assistant to the President.

The President left the White House for a weekend stay at Camp David, Md.

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#### **NOMINATIONS SUBMITTED TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

##### **Submitted April 24, 1978**

KENNETH M. CURTIS, of Maine, to be a Commissioner on the part of the United States on the International Joint Commission, United States and Canada, vice Victor L. Smith, resigned.

ADRIAN G. DUPLANTIER, of Louisiana, to be United States District Judge for the Eastern District of Louisiana, vice R. Blake West, deceased.

GEORGE H. LOWE, of New York, to be United States Attorney for the Northern District of New York for the term of 4 years, vice James M. Sullivan, Jr., resigned.

##### **Submitted April 27, 1978**

GILBERT G. POMPA, of Texas, to be Director, Community Relations Service, for a term of 4 years, vice Benjamin F. Holman, resigned.

**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released April 24, 1978**

News conference: on his trip to Africa, the Soviet Union, and Western Europe—by Secretary of State Cyrus R. Vance

Announcement: White House Drug Policy Office review of alternative spray materials to Paraquat for eradicating marijuana

**Released April 27, 1978**

Advance text: remarks on signing S. 2452

News conference: on enhanced consumer representation within the Federal Government—by Esther Peterson, Special Assistant to the President for Consumer Affairs

Announcement: visit of Japanese Prime Minister Takeo Fukuda to the United States

**Released April 28, 1978**

Advance text: remarks on administration proposals on Middle East arms sales—by Secretary of State Vance

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved April 24, 1978**

H.R. 4979----- Public Law 95-265  
An act to direct the Secretary of the Interior to convey certain public and acquired lands in the State of Nevada to the county of Mineral, Nevada.

**ACTS APPROVED—Continued**

**Approved April 24—Continued**

H.R. 6693----- Public Law 95-266  
Child Abuse Prevention and Treatment and Adoption Reform Act of 1978.

H.J. Res. 578----- Public Law 95-267  
A joint resolution authorizing the President to proclaim the third week of May of 1978 and 1979 as "National Architectural Barrier Awareness Week".

H.R. 9179----- Public Law 95-268  
Overseas Private Investment Corporation Amendments Act of 1978.

**Approved April 26, 1978**

H.R. 7744----- Public Law 95-269  
An act to amend the Acts of August 11, 1888, and March 2, 1919, pertaining to carrying out projects for improvements of rivers and harbors by contract or otherwise, and for other purposes.

**Approved April 27, 1978**

S. 2452----- Public Law 95-270  
Hubert H. Humphrey Institute of Public Affairs and the Everett McKinley Dirksen Congressional Leadership Research Center Assistance Act.

**Approved April 28, 1978**

S. 2597----- Public Law 95-271  
An act to amend title 28, United States Code, to move the place for holding court for the district court of the Eastern District of New York to Brooklyn and Hempstead, and for other purposes.

# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, May 5, 1978

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## Interview With the President

*Remarks and a Question-and-Answer Session With a Group of Editors and News Directors. April 28, 1978*

THE PRESIDENT. Some of you have been here for previous meetings like this, I noticed. We've had several hundred editors and top news executives come to the White House for these small group meetings in the last 15 months, and they've been very helpful to us and, I hope, also helpful to your own readers and listeners and viewers.

What I've done as a matter of course is to outline some of the current questions that I'm addressing and problems that I'm trying to solve, and then spend what time we have available answering your questions.

### ADMINISTRATION POLICIES

Right now, I'd say that getting the energy legislation passed is a top domestic priority. Dealing with the Federal bureaucracy is always a constant challenge, and I think the crux of the whole reorganization effort is in civil service reform, which is now being considered by the Post Office and Civil Service Committee in the House.

We have tax reform in the Ways and Means Committee. I think we'll do much better on the floor of the House and the Senate, perhaps, than the present prospects appear to be in the Ways and Means Committee.

We have, in addition to that, a constant pressure from inflationary growth. Bob Strauss has been designated as my direct representative to deal with both wage and price increases, to try to hold them down. He's slowly getting control of that new assignment. He's keeping his former assignment as the Special Trade Representative. As you can see, those two items are very closely interrelated.

But this doesn't mean that the other Cabinet officers and executive personnel are not directly involved. Mike Blumenthal, Charlie Schultze, Ray Marshall, Juanita Kreps—all of our Cabinet on a domestic basis are trying to concentrate with an ever-increasing intensity on controlling inflation. The latest statistics this year don't look good. We've had a fairly rapid increase in farm prices, which I think were warranted and needed after the very low prices last year. That's showing up now on the Consumer Price Index, as well as the adverse effects from the winter weather and the coal strike.

But I believe our economy is very sound, and I think the recent indications on the value of the dollar in international monetary markets and the value of stock on the exchanges in New York have been a good indication of renewed confidence in the American economy, which, of course, is highly justified.

We have a couple of very controversial issues coming up in the Congress on foreign affairs of immediate consequence. One is a proposal to sell weapons to three Middle Eastern countries—Israel, Egypt, and Saudi Arabia—and the proposal to lift the arms embargo against Turkey to try to get the Turkish-Greek relationships improved and to make some movement on Cyprus, which has now been stalemated almost 3 years. This is a very serious matter in both instances, and both of these decisions by the Congress are highly controversial and have some potential political damage to individual Members of Congress as they make these decisions.

The last week's vote on the Panama Canal treaties is perhaps the worst political vote that the Senators will have to cast, certainly in my term of office. And I think they made the right decision in a very courageous way.

We have a lot of other items that I won't go into unless you have specific questions. I'll be getting our water policy proposals on my desk within the next few days. We've been working intimately with Congress Members and also Governors and others in the Midwest and Western States, particularly on water policy. I think it's crucial to our country to have some predictability about how we assign priorities, how we spend money, the benefit-cost ratios, environmental considerations, and I believe that there's never been an issue that's come before me that has warranted and has received any more close consultation with local and State officials who are directly involved.

Perhaps now it would be better for you to ask me questions, rather than my taking any more of your time. I would like to ask, if you don't mind, that we terminate this meeting about 5 minutes before the half hour, so that I can have an individual photograph made with you. Those of you who are philosophically adverse to it can destroy the photograph. [Laughter]

## QUESTIONS

### TIMBER PRODUCTION

Q. Mr. President, Secretary Bergland told us there is consideration of tying the level of timber harvests more closely to the demands of the market and the price of wood products. Is that a serious consideration in your office, and if so, would it involve a deviation from traditional Forest Service harvest policies such as nondeclining even-flow?

THE PRESIDENT. Well, we've had an almost unprecedented rate of growth in housing starts and construction in the last year and a half. And this has put additional pressures on the price of lumber, which I think are one of the major contributing factors to the inflation rate in, particularly, family homes. I think that we can increase the rate of timber harvest in public lands, both Federal and State lands, and also in the large land holdings of private individuals and companies.

I think we can do this without any adverse effect on environmental quality and without any adverse effect on ultimate total production of timber from these lands. I've had a meeting with some of the key harvesters of major quantities of timber here around this table from the Far West, and they have pledged to me—the processors of timber—that they will not only try to make their production more highly efficient, that is, waste less

of the timber products, but also will try to increase the amount of timber that is processed in this country and ship a smaller portion of timber overseas in log form than has been the case in the past.

We will have a definitive analysis, that's been underway now since I've been in office, for publication in June, and the final decision in December. But I've asked in my anti-inflation speech before the American Society of Newspaper Editors that this report to me on how we can rapidly increase the rate of production on timberlands, to be on my desk within 30 days of that time.

#### PRESIDENT'S TRIP TO COLORADO

Q. Mr. President, your trip to Denver next week has been compared by some as a trip to a foreign country. Could you briefly assess your own views on your relationship with the West and, perhaps, comment on the solar energy package I understand you might address on your visit Wednesday?

THE PRESIDENT. Yes, I will. This will be my second trip to Denver since I've been President. The last time, I had a public hearing there, primarily related to water projects, as you know, which I thought was very good and constructive, and, in the process, invited the Western Governors to come to Denver to meet with me for that purpose. I'll be making an additional stop in Colorado, as well. This will be, coincidentally, on Sun Day, and I will be making a speech, relatively brief, on the use of solar power in the future.

Colorado has been blessed, I think, by the decision that I made to place a major research facility for solar power in Colorado. But I look on this as a friendly visit with the prospect for reception to be good. We've devoted a lot of time to Western problems because they are

unique, and some of them are long overdue in being addressed: grazing lands, basic water policy, the problems of impact aid for strip mining and other mineral harvesting—we proposed legislation, now, to the Congress for non-energy type mining operations, which I think will add stability to it—how to deal with the acreage limitation on federally subsidized, irrigated lands.

These are matters that have been in contention for decades or even generations. And although they are controversial—and that's the reason that previous Presidents have not been eager to address them—I think they should be addressed frankly and forcefully and fairly, and let those dissident arguments be laid to rest once and for all. So, I look forward to my trip, and it's not the first one to Denver, even since I've been in office.

#### MIDDLE EAST ARMS SALES

Q. Mr. President, Anthony Sampson, in "Arms Bazaar," quotes Kenneth Galbraith as saying that, in effect, the United States caused the India-Pakistan war by selling arms to Pakistan. In fact, they sold to both sides. It created an imbalance in that area, and that's what led to the war. Now, changing the balance in the Middle East, will it not likewise inevitably cause another war? Isn't it a repetition of a road to disaster if you lump these sales together, to sell both to the Arab countries and to Israel?

THE PRESIDENT. Well, as you know, our arms policy in the Mideast has been to sell moderate supplies of arms to all of our close allies there and to give an extra attention to the needs of Israel, pretty much as defined by Israel.

I think it's obvious that the Israeli military strength is overwhelming in the air. We have longstanding commitments made to the Saudi Arabians, dating back

to September of 1975, by President Ford and Secretary Kissinger. I reconfirmed that commitment, because our Nation's word of honor is at stake, early in my own administration when the Saudi leaders visited here.

This arms sales package, as such, is not a package as far as the Congress is concerned. These proposals will be submitted to Congress individually. Each one, separately, will be assessed by Congress in the best interests of our own country and that of our allies.

My own belief is that the Saudis have made their choice of weapons and the appurtenances or armaments on the F-15 on a basis of defense. The F-16 is more of an offensive weapon, and the Saudis have not ordered air-to-ground armaments that would be used in an offensive mode. They've also indicated to us that they do not intend to station the planes at Tabuk, which is a base close to Israel, but will be stationing these planes near Iraq and South Yemen as a defensive mechanism.

Just to close, this is a proposal that, in my opinion, is best for Israel. I think it would be a serious mistake for us to sever the friendly relationships and the mutual trust and confidence that's crucial, that presently does exist between ourselves and the moderate Arab leaders. I think our being the ones to sell these weapons to the Saudis—which will not be delivered completely until 1983—is advantageous as compared to the Saudis' completely unrestricted ability to buy the same type of weapons and same quantity of weapons from the French or, perhaps even later, from the Soviets. And their peaceful intentions are well recognized and trusted by me.

As you know, the sale of the F-5's to Egypt is not something that's even opposed by the Israelis, so far as I know. I was with Prime Minister Begin—in this

room and over privately in the Mansion at the White House and in my little back office for several hours—for 2 full days this year, and Prime Minister Begin never mentioned to me one time any concern that he might have about the sale of weapons to Saudi Arabia or Egypt.

So, I think that this is a well-balanced proposal. Each sale was made on its own merits. I think that it is moderate in quantity. The weapons for Saudi Arabia and Egypt are acknowledged to be defensive in nature, and I think this provides us with the kind of relationship and influence in the moderate Arab world which is conducive to peace for Israel.

Q. I was with Prime Minister Begin, Mr. President, after he left you, and it is of greatest concern to him. In fact, it is to every Israeli leader, going back to Rabin and Peres and all of them. It's of tremendous concern to them, because by the time these weapons are delivered in 1981 or '82, you may not have the present rulers in Saudi Arabia because of the conditions that are going on over there right now. You might be delivering it to a pro-Communist government.

THE PRESIDENT. I can't dispute what you say about Begin's importunities or concerns to you. But I'm telling you that for 2 days he had my undivided attention, and he never mentioned it.

Now, the second point that you make is that we will provide, as is the case in all of our major arms sales, a servicing in spare parts for these weapons over a long contractual period. And this gives us a great knowledge of the pilots who fly the planes, the security measures that accrue to prevent violation of our own secrecy, the point of stationing of these planes, any modification in their armaments, the transfer of the F-15's from a basically defensive plane to one of offensive nature.

This relationship that we will have with the Saudi Arabians will help to pre-



vent any shift in their attitude toward an offensive design against Israel. I think that this is good insurance that ought to be maintained.

#### NAVY BUDGET

Q. Mr. President, Edward Fike, San Diego Union. You made a heartening speech in Wake Forest warning the Soviet Union against the continued buildup of armaments, and then you came back to Washington and your first official act was to announce a drastic slash in the Navy building program. I'm from an area which is very concerned about that. And we now learn that several naval bases around the country are scheduled to be closed, including, possibly the Marine Corps training facility in San Diego. How can we reconcile this reduction in the Navy with a continued Soviet naval buildup throughout the world?

THE PRESIDENT. Well, I might say that I used to live in San Diego and was on a submarine there, and I'm familiar with the interest of your neighbors in the Navy strength.

The makeup of the defense budget is primarily determined by submission from the Joint Chiefs and the Secretary of Defense and others to me through the Office of Management and Budget, and the portion of the total defense budget that is spent within the Navy circle is also determined by them. I make very slight modifications, although I study the issues.

When this proposal was made to me by Secretary of Defense Brown and by Graham Claytor, who came over to discuss it, the only change I made in their proposal was to add one submarine, Trident submarine, to their proposal. I think the Navy's portion of the budget is between 35 and 40 percent, about what it always has been. The size of the defense budget has been increased steadily since I've been in office. We added about 3 percent in

total defense expenditures in this proposal for next year, above and beyond inflationary trends.

And I think that the Navy budget is a well-balanced budget. The argument that is going on in the Congress is whether we have a relatively few, highly expensive, large and nuclear-powered ships on the one hand, or a wider number, larger number of relatively inexpensive ships that are smaller and conventionally powered on the other hand. All the ships, as you know, are expensive.

But I don't have any apology to make for it. I think within the constraints of the overall budget—I think our deficit is excessive now—and the portion of the total budget that is allotted to defense expenditures, the portion of the defense budget that's allotted to the Navy, that it is a well-balanced proposal.

And to repeat myself once, I did not modify the recommendation of the Secretary of Defense, except to add one Trident submarine. I didn't cut down the recommendation that came to me from the Defense Department.

#### ENERGY SHORTAGE

Q. Mr. President, I'm Bob Hammes from St. Maries, Idaho. A spokesman for a previous administration said, "Don't pay any attention to what we say, but watch what we do." The people are seeing Government officials and high military figures using gas-guzzling automobiles, car races around the country every weekend, and other uses of petroleum, and they're thinking there really isn't a petroleum shortage. Can we somehow resolve this dichotomy?

THE PRESIDENT. It's hard to answer that question. My fear is that the dichotomy to which you refer will be resolved only when there is a tangible evidence of energy shortage brought about by suffering or deprivation of the American people

themselves. Warnings about future shortages have apparently very little effect on the Congress or the public.

We have had some reduction in the rate of growth of energy consumption this year, and obviously our imports have dropped off somewhat with the increased influx of oil from Alaska.

We've done a great deal through Executive order of my own, and also among the top officials in the executive branch of National Government, in cutting down both the size of automobiles, and we cut drastically on the number of automobiles that are available and used. And we've also increased gasoline efficiency by mandatory law passed by the Congress and also by eliminating the large number of chauffeur-driven automobiles that were formerly used by literally hundreds of top executive officials. Those have been cut down to bare bones.

But I don't think I can answer your question any better than that. When lines are backed up at gas stations, at service stations, the public believes there's a need to conserve. When the lines disappear, then they don't believe it any longer.

But I believe that in the long run, that the legal restraints that have been placed on automobile efficiency will pay rich dividends. And the passage of the energy legislation that I have proposed to the Congress will be another major step forward, even in the absence of demonstrable shortages that work a deprivation on our public.

#### OIL SALES TO JAPAN

**Q.** Mr. President, Bob Thompson, *Seattle Post-Intelligencer*. We heard two officials of your administration this morning suggest there's renewed talk about selling Alaskan crude oil to Japan. Do you favor such a policy? What will the impact be on our energy crisis, and would you propose it to Congress?

**THE PRESIDENT.** No, I haven't made any decision on that proposal, which has been, I think, an historic one. It's a repetitive kind of proposal that originates from a lot of sources, and it's been given renewed life by the fact that now we have, with the Alaskan oil shipments to the west coast, a glut of oil in the California area.

Our own preference is that the Sohio line should be expedited, with its completion to bring California and Alaskan oil into the Texas area for refining and further distribution, and also that we expedite the completion of a gasline that would originate in your part of the country, heading east, to serve the Midwest. The proposal about transferring oil either from California, the heavy crude, to Japan or to transfer some of the Alaskan crude to Japan is not one that's been proposed to me.

#### PRESIDENT'S RELATIONSHIP WITH WESTERN STATES

**Q.** Mr. President, the West was one of the areas where you and Vice President Mondale did least well in the Presidential election, and I think opinion polls show that if the election were held again now, you might not get any more votes. Do you anticipate any difficulty for your party this year? Do you anticipate doing better or worse, should you run for reelection? And are there any policies that you are designing to improve your standing in the West?

**THE PRESIDENT.** Well, I think the recent polls—the only one I've seen lately is Harris poll that shows that on a nationwide basis, I would do better now than I did against Ford, because it was a very close vote, as you know. I think I had a 6 or 7 point lead over Ford in a hypothetical race, and only had 1 or 2 percent when I actually won. I think that it's almost inevitable that the Democratic

Members of Congress this year will do better in the West than I did—[*laugh-ter*]*—*in the Presidential race, because as you pointed out, I carried very few States in the West. I came very close in a few. But I think the Democrats will have a good success this year. They've got an excellent record when it's analyzed carefully.

I think when the Congress adjourns late this summer, there will be a much more careful and factual analysis of what has been accomplished and what has not been accomplished. So the record is going to be good. I think there's a minimal amount of coattail riding these days, not just because of me but also my immediate predecessors.

The new classes in Congress, the 94th and 95th Congresses, are highly independent. They ran their campaigns basically the same way I did, one priding oneself in not being a part of the establishment, not being dominated by the political leaders, being tied directly to constituents, or being independent in attitude and in the legislative process. So, I think there's a much more close welding now of Members of Congress, particularly the newer classes, to their own constituents than there has been in the past, historically, and a much less interrelationship between individual Members of Congress and the popularity or unpopularity of an incumbent President. Back in the days of Eisenhower, Roosevelt, back that far, there was a very close melding of the two. But I don't think that's the case anymore, regardless of who's in the White House.

So, I think that as I said earlier, the problems that we did have in 1976 in the West were primarily attributed to the fact that I was not well known, I had to concentrate my efforts where I thought my success would be most notable. And the second point is I think that we've had an

exacerbation of that problem, because we've tried to address some very, very controversial issues that have been ignored for too long. But my belief is that after this year, when these issues have been resolved, either by us, by the Congress, or by the courts, that those problems will be lessened.

MR. WURFEL. Thank you, sir.

Q. Mr. President?

THE PRESIDENT. Yes, I may answer one more question.

#### PRESIDENT'S TRIP TO WESTERN STATES

Q. Have you decided who will accompany you on your trip, Mr. President, the Western trip—the Cabinet officers, some of your family, what Congressmen, White House staff?

THE PRESIDENT. I don't know yet. I would guess that it would be among the—Dr. Schlesinger, I'm sure, will be with me for part of the trip, Bergland will probably be with me, and Cecil Andrus will probably be with me for part of the trip. I really don't know. Do you happen to know, Walt?

MR. WURFEL. No, sir.

THE PRESIDENT. I haven't really seen the list of people who will go with me, but I know that those three will be there for part of the trip. I need Bergland particularly, for instance, for the timber area, Oregon and Washington. Schlesinger needs to be with me in Colorado for the solar energy question; Cecil Andrus in California and other places for addressing the question of maximum acreage to be owned by families in the irrigated regions where water comes from Federal sources. But I can't answer your question any better than that at this point.

Let me say that I always get a lot out of these sessions, because you ask the kind of questions that very seldom come up at a White House news conference. They are

much more substantive and related directly to the people's interests and needs in the States and communities, and I thank you for coming.

NOTE: The interview began at 1 p.m. in the Cabinet Room at the White House. Walter W. Wurfel is Deputy Press Secretary.

The transcript of the interview was released on April 29.

## United States-Canada Reciprocal Fisheries Agreement

*Message to the Congress Transmitting the Agreement. May 1, 1978*

*To the Congress of the United States:*

I transmit herewith a Reciprocal Fisheries Agreement for 1978 between the Government of the United States and the Government of Canada, effected by an exchange of diplomatic notes dated April 10 and April 11, 1978.

The Agreement, which continues through 1978 the provisions of the 1977 Reciprocal Fisheries Agreement with a few modifications, protects important United States interests in our fisheries off Canada and maintains the opportunity for conclusion of long-term maritime arrangements on boundaries, hydrocarbons and fisheries resources, including salmon, between the United States and Canada.

As was the case with the 1977 Reciprocal Fisheries Agreement, positive Congressional action is required to bring the 1978 Agreement into force. I recommend that the Congress give favorable consideration to the Agreement at an early date to establish the legal basis for the continuation of reciprocal United States-Canadian fisheries during 1978.

JIMMY CARTER

The White House,  
May 1, 1978.

## 30th Anniversary of the State of Israel

*Remarks of the President and Prime Minister Menahem Begin at a White House Reception. May 1, 1978*

THE PRESIDENT. It's a great pleasure for me and for Rosalynn to hold this reception for my friends, Prime Minister and Mrs. Begin, and for the distinguished Americans who have joined us today in honor of the 30th anniversary of the State of Israel.

We've just come to the close of the Passover holidays, an annual reminder of the exodus and dispersal of the Jewish people. Since the destruction of the Second Temple led to the Diaspora nearly 2,000 years ago, Jews have said a prayer ending with "Next year in Jerusalem."

Through all these years we shared hope of a homeland. The shared hope of a homeland held together in spirit a people who were scattered all over the world. During those 2,000 years, Jews often suffered religious discrimination, inquisitions, pogroms, and death. Jews were too frequently treated as strangers, even after living for generations as inhabitants of countries.

After I visited Israel in 1973, I read Arthur Morris' book "While Six Million Died," the tragic account of the ultimate in man's inhumanity to man, the Holocaust. Six million people were killed, most of European Jewry. They died not only because of Nazi brutality but also because the entire world turned its back on them during their years of suffering. No country was willing to give the Jews of Europe a home where they could escape from their torment.

Out of the ashes of the Holocaust was born the State of Israel, a promise of refuge and security and of return, at last, to the Biblical land from which the

Jews were driven so many hundreds of years ago.

It will always be a proud chapter in the history of our own country that the United States was the first nation to recognize the legal existence of Israel in 1948—30 long, fruitful, sometimes seemingly short years in history.

George Santayana wrote that, and I quote, “Those who cannot remember the past are condemned to repeat it.” The past brutality against the Jewish people throughout the world and the ultimate tragedy of the Holocaust are events that Jews will always remember, but they are also lessons which this country and all the civilized world should never forget.

Through the indomitable will and character of its own people and with the unshakable commitment of the United States to its security, the existence of the State of Israel will ensure for all times that the Jewish people will not be condemned to repeat the Holocaust.

The policies of the United States Government have been influenced by these indelible memories of the past. We continue to provide substantial economic and military assistance to Israel. We have obtained, this past year, tough antiboycott legislation to protect from discrimination American Jews and American companies doing business with Israel. We champion the human rights of Jews in the Soviet Union and in other nations and encourage their right of emigration.

We do these things because they are right and because they are necessary and because they are true to the traditions of our country.

Many nations have memorials to the Holocaust victims. There is no such formal memorial in the United States. To ensure that we in the United States never forget, I will appoint immediately a Presidential commission to report to me

within 6 months on an appropriate memorial in this country to the 6 million who were killed in the Holocaust.

We may from time to time have our transient differences with the leaders of Israel—[laughter]—as we do with leaders of other countries who are our close friends and allies. But we will never waver from our deep friendship and partnership with Israel and our total, absolute commitment to Israel’s security.

The establishment of the nation of Israel is a fulfillment of Biblical prophecy and the very essence of its fulfillment. In the Jewish tradition, 30 stands for the age of strength, and Israel, thank God, is strong.

There is a Jewish saying, “From strength to strength.” And I trust that Israel will indeed evolve from a strength rooted in determination and vigilance to a strength that is reinforced and maintained by a just and lasting peace with its neighbors.

That prospect is coming closer to reality today than at any time since the creation of a State of Israel. We remain deeply committed to help in any possible way to bring the day closer when Israel will live in security and in peace. For 30 years we have stood at the side of the proud and independent nation of Israel. I can say without reservation, as the President of the United States of America, that we will continue to do so, not just for another 30 years but forever.

Thank you very much.

THE PRIME MINISTER. Mr. President, our dear friends, may I humbly tell you that today we heard from the President of the United States one of the greatest moral statements ever.

We have always believed in the moral greatness of America. We appeal to it in difficult times. We never lost hope that it will win, because we have always remem-

bered the famous moral precept of your predecessor, Mr. President, Abraham Lincoln, "Right makes might."

On behalf of right, we fought for our country and for our liberty. In the thirties, our people looked for a haven and didn't find it. In the forties, they cried out for help and didn't get it. And then we reached the conclusion that if we don't fight and conquer our liberty, nobody will give it to us. So, in the tradition of the American people, we rose to fight. There were the great sacrifices, the suffering, but today is a day of rejoicing. *Vesamachta bechagecha!*

Although in the life of her people for many generations, sadness and joy are intermingled, yesterday we remembered the fallen heroes of the ghettos, the helpless left alone to fight not even for their lives, not even for their liberty, but for human dignity and for the dignity of their people, because those lone fighters indeed fought for all humanity.

But today is a day of rejoicing. Thirty years ago, a little flag, blue and white, was hoisted before the eyes of all the nations to see, namely, Judea rose again, Israel will live.

And when we remember what happened until that day—their people, what persecution and humiliation they went through and, ultimately, mass physical destruction, then we can appreciate what an effort was necessary and was made in order to achieve that day of our national renaissance.

Let us rejoice. The blessing of freedom is incomparable to any other. Only he who lost it can appreciate it. And we had lost it; we regained it with the efforts and the self-sacrifice of our best men.

So today, let us remember our heroes who made our victory possible and our independence assured.

Today also, my dear friends, is from

another point of view, a day of rejoicing. The President and I just finished a discussion and a private talk, and earlier we had a talk with the Secretary of State.

May I tell you, bringing you good tidings with all my heart, thank God—*baruch hashem*—these discussions and talks are characterized with friendship, with understanding. There is that feeling that America and Israel are inseparable, friends and allies.

Mr. President, we too, as you, hope that there will come a day when our brethren in the Soviet Union will be free to go to the historic homeland of our people. The Jewish people will never give up a fight for liberty and for justice. Never.

Now, Mr. President, ladies and gentlemen, as we rejoice in the achievement of Israel's independence, a holiday not only for the Jewish people but for all free nations, for all women and men of good will, let us rededicate ourselves to the great concepts of our prophets—of human freedom and dignity and justice and the great vision of peace.

Mr. President, we shall go on working for peace with all our heart and all our soul, because we yearn for it and want it. And let us hope that the road for peace will be reopened with your help, Mr. President, as we said to each other just a while ago.

And now, Mr. President, having heard your most moving words, which we shall never forget, I would like to conclude my remarks with the following short, simple statement: For freedom, for justice, for human progress, and for human dignity, let there be everlasting friendship between the great United States of America and the renewed State of Israel.

NOTE: The President spoke at 2:10 p.m. on the South Grounds of the White House at the reception honoring Prime Minister and Mrs. Begin and Jewish leaders.

## National Commission on the International Year of the Child, 1979

***Appointment of Jean C. Young as Chairman.  
May 1, 1978***

The President today announced the appointment of Jean C. Young, of Atlanta, Ga., as Chairman of the National Commission on the International Year of the Child, 1979.

Young was born July 1, 1933, in Marion, Ala. She holds a B.S. in elementary education from Manchester College in Indiana and an M.S. in education from Queens College (New York).

She has been a classroom teacher, supervising teacher for the Teacher Corps, area resource teacher, and coordinator of elementary and preschool programs with the Atlanta Public School System. She participated in the development of Atlanta Junior College, serving as assistant to the president, public relations officer, and instructor of developmental studies.

Young has published a manual for parents of preschool children, "Bridging the Gap." She participated in an international student volunteer project with refugee children from Eastern Europe in Austria.

## Zero-Base Budgeting

***Announcement of a Report Concerning  
First-Year Results in the Federal Government.  
May 2, 1978***

The White House released today a detailed assessment of first-year results of zero-base budgeting (ZBB) in the Federal Government. It found that departments and agencies "got off to a good start" in putting the process to work.

President Carter commended department heads recently for instituting ZBB within the short time available to develop the fiscal year 1979 budget, and said he expected the process "to aid even more in the 1980 budget cycle." ZBB provides a systematic process by which managers at various levels can analyze performance and allocate resources effectively and economically among Government programs.

James T. McIntyre, Jr., Director of the Office of Management and Budget, said his agency is revising ZBB guidelines to make the process even more useful in tightening the 1980 budget. OMB prepared the first-year assessment, which noted that:

- Agency budget priorities were explicitly identified and stated;
  - Agencies were better able to restrain the size of their budget requests;
  - Management participation in the budget process increased at all levels.
- As a result, agencies generally reported a better understanding of the relationship of their separate program plans and policy initiatives.

The report describes some of the savings attributable to ZBB. No single dollar figure can be pinned down to represent total ZBB economies in the 1979 budget, the report explained, since many resulted from a combination of factors. The report does cite a number of instances in which operations were discontinued or funds and personnel were shifted to achieve maximum use of the dollar.

Savings were realized when requests for more money could not be justified within the ZBB discipline. In addition, many large requests never reached OMB, because agencies recognized in ranking priorities that the proposals could not be justified.

Major changes to improve the 1980 process will emphasize the development and study of minimum program levels, eliminate unnecessary paperwork, and broaden the involvement of managers.

NOTE: On the same day, the White House released the 13-page report entitled "Assessment of the First Year of Zero-Base Budgeting."

## International Health Program

***Statement Announcing a Program To Strengthen U.S. Participation. May 2, 1978***

We in the United States enjoy one of the highest standards of health in the world. Infectious diseases are no longer a major cause of death, and most Americans take for granted that their children will reach healthy adulthood. This is not true in many other parts of the world. Each year, more than 15.5 million children, nearly all of them in the developing countries, die before they reach the age of 5. Hundreds of millions of people are afflicted by such diseases as malaria, leprosy, and schistosomiasis, diseases which are unfamiliar to most Americans but which exact a terrible toll in human suffering and wasted productive potential. As many as 40 million people suffer some form of blindness—a truly global problem that is largely preventable and often reversible.

No nation can any longer view these tragic conditions as someone else's problem. In a world growing more interdependent day by day, we increasingly share each other's distress and dangers, as well as the fruits of mankind's successes.

Late last month, the World Health Organization confirmed that we appear to be in the final stage of the eradication of smallpox; no case has been reported any-

where in the world in the last 6 months. This historic accomplishment shows what can be achieved when nations cooperate with deep commitment.

My administration is dedicated to supporting programs which help people meet their basic human needs. The United States, in partnership with international organizations and with other countries, must develop a truly international program to improve worldwide health, nutrition, and family planning. We have a long history of shared effort with other nations in the field of health, and we plan to build on the solid record we have established.

Consistent with the announced expansion of foreign aid, and our effort to focus that aid on the poorest of the world's people, my administration has undertaken a review of international health needs. Our aim was to determine the most effective ways in which the U.S. Government and private organizations could help reduce the personal and economic impact of widespread malnutrition, infectious diseases, and other health hazards, including those associated with frequent childbirth.

As a result of that study, I am announcing today my intention to launch a program to strengthen the participation of the United States in worldwide efforts to overcome disease and ill health.

Our efforts will be based on the following principles:

—A basic minimum level of health, nutrition, and family planning services should be available to the world's poor, whether they live in rural areas or urban slums.

—Developing nations can eventually meet their own health needs if we assist them in strengthening their institutions and building their own health systems.

—Community-based primary health care, including the use of community re-



sources and the training of appropriate health personnel as near as possible to where they will deliver services, is the most effective means of achieving the standard of health we desire for all people.

Our objective is to concentrate on the prevention of disease and ill health. We will put special emphasis on providing clean drinking water, basic sanitation, basic immunizations, and efforts to prevent and treat blindness. This emphasis will be reflected in our own programs and in our support of priorities established by various international organizations.

We will work toward the lasting control or eradication of the major infectious diseases, particularly "tropical" diseases that continue to be the leading causes of death and disability.

We will give special attention to the major causes of death in children—diarrhea and respiratory disease, particularly when aggravated by malnutrition.

Private industry provides most of the goods and services needed to sustain the world's health. It can play an important role by exercising initiative and careful judgment in developing needed products and in helping to make sure they are used wisely to improve health in the developing world.

We recognize the invaluable contribution voluntary organizations have made in improving the health of people throughout the world and their special services in developing nations. We will strive to aid them in their efforts and to coordinate our activities.

We plan to:

—Strengthen institutions in our Government which are dealing with international health problems, reemphasizing our commitment to help meet the health needs of other nations, and improve the

use of existing resources through better coordination.

—Build greater awareness among the American people of the legitimacy and the importance for our foreign policy goals of improving other people's capacity to meet their basic human needs.

—Work closely with nations around the world, individually and through organizations such as WHO, UNICEF, the World Bank, and the regional development banks, to improve the health of people everywhere.

—More fully involve American universities, technological foundations, and other private organizations in making U.S. scientific and professional resources more accessible to the developing world.

I have asked Secretary Califano to go to Geneva as head of the United States Delegation to the World Health Assembly, where he will describe further the steps my administration intends to take.

No one country alone can bear the responsibility to achieve these goals. I ask the leaders of other nations to join me in this global effort. Effective programs require detailed and careful planning. The strategy I am announcing today and which Secretary Califano will describe to the World Health Assembly next week will be developed as part of our budgetary and legislative recommendations for next year. Where possible, however, we will move immediately to carry out this program.

The world can someday meet the basic human needs of people everywhere—if we care enough, and if we start now. I believe all Americans share my personal commitment to the goal of a world free from unnecessary disease, a world in which life is held sacred, and in which children born anywhere on Earth have the same chance to grow up to enjoy a healthy, fulfilling life.

## United States-Morocco Convention on Taxation and Fiscal Evasion

*Message to the Senate Transmitting the  
Convention. May 2, 1978*

*To the Senate of the United States:*

I transmit herewith, for Senate advice and consent to ratification, the Convention between the Government of the United States of America and the Kingdom of Morocco for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Rabat on August 1, 1977.

There is no convention on this subject presently in force between the United States and Morocco.

The Convention follows generally the form and context of most conventions of this type recently concluded by the United States. However, it contains some modifications of the standard provisions to accommodate the special need of Morocco as a developing country to minimize any revenue loss. Its primary purpose is to identify clearly each country's interest in avoiding double taxation and preventing the illegal evasion of taxation.

For the information of the Senate, I also transmit the report of the Department of State on to the Convention.

This Convention would promote closer economic cooperation and more active trade between the United States and Morocco by assuring investors about their tax liability, reducing the foreign tax in many cases and providing for cooperation between the two countries to avoid double taxation.

I urge the Senate to act quickly on this Convention and to give its advice and consent to ratification.

JIMMY CARTER

The White House,  
May 2, 1978.

## Federal Council on the Aging

*Message to the Congress Transmitting a  
Report. May 2, 1978*

*To the Congress of the United States:*

I am transmitting herewith the annual report of the Federal Council on Aging in accordance with Section 205(f) of the Older Americans Act (P.L. 93-29).

As you know, the Council was created by the Congress to represent older Americans and make recommendations to the President, the Secretary of the Department of Health, Education, and Welfare, the Commissioner of the Administration on Aging, and the Congress on Federal policies regarding the aging and federally conducted or assisted programs and other activities relating to or affecting them. This report describes the Council's concerns and projects as well as specific advocacy positions taken by the Council on Federal policies and programs affecting the elderly.

In my first year in office, the Council has been of great assistance in their unanimous support of strengthened financing of the social security system. As you know the Congress acted expeditiously to enact the 1977 Social Security Act amendments which I signed into law December 20, 1977. These measures will serve to assure a secure income for many older Americans in future years. I hope that the Congress will act this year on the Better Jobs and Income Act in response to the Council's earnest desire for the early enactment of welfare reform which affects many areas of "vital concern to older Americans."

While the Council recognizes that all of the concerns expressed in the report cannot be fully dealt with in the immediate future, I look forward to a continued close working relationship with the Council as evidenced by my appointment

of Chairman Nelson Cruikshank as my Counselor on Aging.

In closing, let me assure you that we will continue to carefully consider the views of the Council as social and economic policy affecting the elderly is developed and implemented in the years to come.

JIMMY CARTER

The White House,

May 2, 1978.

NOTE: The report is entitled "Annual Report to the President—1977, Federal Council on the Aging" (Government Printing Office, 62 pages).

## National Small Business Person of the Year

*Remarks at the Presentation Ceremony for Edward Gaffney. May 2, 1978*

THE PRESIDENT. First of all, let me welcome to the White House, to the Rose Garden, fellow small business persons of the United States. I always feel at home when I meet with those of you who have had a background as entrepreneurs, who have participated not only in ownership but also in the management of your own small business. I recognize not only the joys and accomplishments and the gratification of being a small business person but also the difficulties and the problems that are derived from that responsibility. And because of those difficulties, I sought a different job a couple of years ago, and thanks to some of you, I was successful. [Laughter]

Since I've been in the White House, being one of the few small businessmen who have ever served as President, I've made a special effort to open up government to the interrelationship that ought to exist between small business leaders of our Nation and the members

of the Cabinet and the agencies of the Federal Government—not just to help the small business community of our Nation but, equally important, perhaps even more important, to help government, because your perspective and your knowledge and your experience is a great reservoir of advice and counsel and constructive criticism that can be a major factor in making government better.

We've had, now, small business groups meet with almost all of the members of the Cabinet, and there is constant arrangement for periodic meetings between small business leaders of all kinds and my Domestic Policy Adviser, Stu Eizenstat, and his associates. So, there's a continual interchange and exchange of ideas that's been very beneficial to me.

Yesterday I signed an executive order that will set up a procedure that will result in a new emphasis on industrial innovation. In the last few years, there's been a deterioration in the amount of benefit to our Nation of new ideas, new concepts, and innovative ideas from business that can be very constructive to us all.

Under Vernon Weaver's leadership we've increased in 1 year the guaranteed bank loans for small business by about 40 percent, from roughly \$2 billion in 1976 to \$2.65 billion in 1977. We've tried to deal also with special groups in the small business community who in the past have been deprived. For instance, we set as a goal last year to double the amount of Federal procurement from businesses owned by minority citizens. And we will meet that goal, and we hope to increase it another billion dollars this coming year.

When we passed the legislation last year to put into effect a very strong public works program, we set aside 10 percent of that to be awarded to minority contractors, and we've exceeded that

goal. We've tried to increase the amount of Federal money deposited in banks owned by minority owners. And this is the kind of thrust that we've tried to maintain all the way through.

I brought into the White House, too, a knowledge of some of the problems caused by Federal agencies. We've got a wonderful leader now, both in the Labor Department and in OSHA, and last year alone, we reduced the number of OSHA regulations by 30 percent, and we're still working on them.

And Dr. Eula Bingham is spending a lot of her time out talking to people like you all over the country, to say what do we need to make sure that workers in our businesses, in our factories are safe and healthy and not have an onerous burden on both the workers and the employers in bringing about that safety and that good health that we all want.

I've asked Vernon Weaver and Senator Nelson to help me arrange a White House Conference on Small Business next year, and we are preparing for that very carefully.

In the process, we've identified 200 small businesses around the country as test cases, and we are trying to analyze throughout this period what Federal reports, documents, requests have to be filed, to see how many of them are necessary, how many of them can be eliminated, how many of them can be abbreviated, how many of them can be changed from a monthly report to a semiannual or annual report, how many of them can be combined so you don't have to send the same data to many Government agencies.

I think out of this process will come an additional degree of effectiveness for the Federal Government itself. I've asked all the major agency heads—will, within the

next few days—to bring to the Small Business White House Conference one major proposal from their own agency that will be of benefit to people like you.

Well, I could go on and on listing the kinds of things that we are trying to do in partnership with you to strengthen our free enterprise system and to strengthen the ties that ought to exist between government, particularly the Federal level, and you.

I know how superb the performance of the small business leaders is in our country. And to be chosen as the outstanding small business person in our Nation is indeed a high honor. This afternoon we are recognizing the person that has been chosen from our whole country.

Ed Gaffney has been chosen the outstanding small business person of the year. He organized his own business, Ortho-Kinetics, I believe, in 1962, when his own mother, who was afflicted by arthritis, had a hard time being moved around and getting in and out of a wheelchair. And in the process, he has now evolved a very fine small business to help handicapped people of all kinds. Not only is his heart in the right place, a business that obviously serves others, but he's been very effective in the management, in the growth, and in deriving a substantial and justifiable profit from his effort.

So, it's with a great deal of pleasure that I introduce to you and to the people of the United States, the outstanding small business person of the year, Ed Gaffney.

Let me just read the title while Ed stands over here by me. "The United States of America Small Business Administration presents the National Small Business Person of the Year Award, 1978, to Edward Gaffney for exemplifying the imagination, initiative, independence,

and integrity by which the American small business person makes a vital contribution to the Nation, to the economy, and to the free enterprise system,” signed “Vernon Weaver, Administrator, Small Business Administration.”

MR. GAFFNEY. Thank you very much. I hope you’re not all as surprised as my mother-in-law is. [*Laughter*]

I’d like to thank the Small Business Administration and all of you. It’s been a pleasure getting to know the few of you that I have, and Mr. Carter in particular. It’s very true that Mr. Carter has opened his administration to the small business movement, and I think that if we, as small businessmen, are unsuccessful in our efforts to improve the country, the fault lies with us. And we need to get organized and get to work and help Mr. Carter help us.

Thank you very much.

MR. WEAVER. Just one word. As the President said, he has called for a White House Conference in the fall of 1979. Right now, the small business community, we estimate, has the backing of more than 80 percent of the Congress. And with a President in the White House who was a small business person, who did get a loan from SBA, who paid it back—[*laughter*—who got help from our SCORE volunteer organization—and he gives a lot of credit for his successful business career to SCORE, by the way—if we can’t accomplish what needs to be accomplished in this next year, year and a half, for small business, we’ll never accomplish it.

As the President said, he’s asked every department to come up with one new idea that they can accomplish for you

before that Conference, to be announced at that Conference. So, I believe the next 18 months are going to be the most significant months for the small business community in this history of this Nation. We want all of you to support it, and as many of you as can, come to the White House Conference.

Thank you.

THE PRESIDENT. Thank you very much. Good luck to you, and we’ll see some of you next year.

NOTE: The President spoke at 2 p.m. in the Rose Garden at the White House. Also attending the ceremony were the winners of the State and Territorial Small Business Awards for 1978.

## United States Ambassador to Singapore

*Nomination of Richard F. Kneip.*  
*May 2, 1978*

The President today announced that he will nominate Richard F. Kneip, of Pierre, S. Dak., to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Singapore. He would replace John H. Holdridge, resigned.

Kneip was born January 7, 1933, in Tyler, Minn. He attended South Dakota State University and St. John’s University. He served in the U.S. Air Force from 1951 to 1955.

From 1962 to 1971, Kneip was owner of Kneip Sales Inc., a statewide wholesale milk equipment distributorship. He served in the South Dakota Senate from 1965 to 1971. Since 1971 he has been Governor of South Dakota.

Kneip has served as chairman of the Democratic Governors and as chairman of the Midwestern Governors' Conference. He is a member of the Advisory Commission on Intergovernmental Relations.

in the department of chemical engineering at MIT. He also serves on the energy and environment committee of the Greater Boston Chamber of Commerce. He is the author of numerous technical papers and reports.

## New England River Basins Commission

*Appointment of John R. Ehrenfeld as Chairman. May 2, 1978*

The President today announced the appointment of John R. Ehrenfeld, of Cambridge, Mass., as Chairman of the New England River Basins Commission. He replaces Frank Gregg, who has been appointed Director of the Bureau of Land Management at the Interior Department.

Ehrenfeld was born May 16, 1931, in Chicago. He received an S.B. in 1953 and an Sc. D. in 1957 from Massachusetts Institute of Technology.

From 1959 to 1961, Ehrenfeld was a senior staff engineer for Arthur D. Little, Inc., and in 1961 and 1962, he was senior chemical engineer for Prototech, Inc. From 1962 to 1967, he was director of applied research for the Technology Division of GCA Corp.

In 1968 Ehrenfeld founded Walden Research Corp., one of the first environmental research companies in New England, and served as president and technical director until 1975. Since 1975 he has been vice president and technical director of Energy Resources Co. (ERCO) in Cambridge.

Ehrenfeld also serves on the board of the Massachusetts Science and Technology Foundation. He is a visiting lecturer

## Better Hearing and Speech Month, May 1978

*Message of the President. May 2, 1978*

Communicative disability is a major health problem in our country today. Americans with hearing and speech handicaps number over twenty million. These disorders seriously affect the daily lives of people of all ages. The invisibility of communication impairment belies its serious consequences for those who must carry on normal living activities in our complex modern society.

Meeting the hearing and speech health service needs of men, women and children is thus a continuing challenge to our public and private health resources.

It is encouraging to know that the number of Americans who are overcoming hearing and speech handicaps is steadily increasing. During this national observance, I want to take the opportunity to applaud the individuals and groups who are involved in community activities relating to improved health, rehabilitation and social care for those with communicative disorders. Such steadfast effort in guiding and developing new programs in this area greatly enhances the well-being of those with hearing and speech disabilities and represents a most critical public service.

JIMMY CARTER

## National Nursing Home Week, May 14–21, 1978

*Message of the President. May 2, 1978*

We must not forget our older Americans who have contributed so much to the growth and development of our society. The nursing home must reflect our appreciation and our unfailing concern for their well-being.

On behalf of a grateful nation, I therefore want to pay tribute to the many dedicated individuals who provide services to these in nursing homes. New knowledge about the elderly, new technology and improved skills have resulted in the saving of human life, the prolongation of the life span and the rehabilitation of the impaired and disabled. This noteworthy progress calls for a stronger than ever commitment by all of us to the health and well-being of our increasing numbers of citizens in their golden years. I know we will not fail them, and I ask all Americans to join in the spirit of this observance.

JIMMY CARTER

## Advisory Committee on Federal Pay

*Reappointment of Jerome M. Rosow as  
Chairman. May 3, 1978*

The President today announced that he will reappoint Jerome M. Rosow, of New York, as Chairman of the Advisory Committee on Federal Pay. Rosow has served as Chairman of the Committee since 1972.

Rosow, 58, is president and founder of the Work in America Institute. He was Assistant Secretary of Labor for Policy,

Evaluation and Research from 1969 to 1971. He is the author of numerous publications and articles on work and workers and has served as an adviser and consultant to numerous Government commissions and panels.

## Bill Authorizing White House Conferences on the Arts and Humanities

*Statement on Signing H.J. Res. 649 Into Law.  
May 3, 1978*

Today I sign H.J. Res. 649, the 1979 White House Conferences on the Arts and Humanities act.

This administration believes deeply in the importance of the arts and the humanities to the vitality of our culture, and in the worth of Federal programs in this area. In their work on this bill, John Brademas, Claiborne Pell, and others have helped to demonstrate the need for a broad national discussion of the state of the arts and humanities.

However, I sign this bill today with some reservations. In my view, conducting separate conferences in arts and humanities would involve unnecessary expense and duplication and would miss an opportunity for a far more productive exchange of views and experiences among persons deeply concerned with our cultural life.

It is therefore my intention that this bill be implemented as efficiently and inexpensively—and as productively—as possible. I expect that the two conferences will function jointly or concurrently and that they will share staff and activities to the maximum extent possible.

NOTE: As enacted, H.J. Res. 649 is Public Law 95–272, approved May 3.

## Golden, Colorado

*Remarks at the Solar Energy Research  
Institute on South Table Mountain.  
May 3, 1978*

THE PRESIDENT. *Senator Haskell, Senator Hart, Governor Dick Lamm, and Congressman Tim Wirth, Dr. Rappaport, ladies and gentlemen:*

As a matter of fact, we've not yet made a final decision about where to put the National Solar Energy Research Institute. I'm going around to visit several prospective sites to see where the Sun is actually shining. *[Laughter]*

BYSTANDER. The wind's blowing.

THE PRESIDENT. That's right. The wind is blowing, so that's enough; you qualify.

I am glad to be here where the Sun shines 300 days a year. And as a farmer, I'm also glad to be where it rains on occasion, because we have to test all kinds of potential solar equipment under varying kinds of weather conditions—dense clouds, light clouds, cold and warm temperatures and, of course, bright and clear, sunshiny days.

Maybe the fact that Colorado does have a remarkable degree of sunshine and beautiful weather has something to do with how effective your representatives in Washington have been in promoting solar energy. I've seen in my frequent visits to Colorado an intense interest in solar power that does not exist anywhere else in the Nation that I have been.

Floyd Haskell, Gary Hart in the Senate, Tim Wirth and others in the House of Representatives have dedicated much of their time and effort to the development of effective and responsible solar programs. We are lucky and you are lucky to have them representing you. And all of us in this country are lucky to have their leadership in the solar energy field.

Without that sort of solar commitment,

the National Research Institute would not be here, and its four regional solar centers would never have been possible.

Here on South Table Mountain, if all goes according to plan, ground will be broken in the fall of 1979 for the institute's permanent home. Ninety percent of its energy needs will be supplied by the Sun.

The principal job of this national center will be to carry out basic research and development and to demonstrate projects in advanced solar technology. The principal job of the four regional centers will be the commercial application of these technologies. Both the National Institute and the regional centers will work as partners with State and local governments.

Dr. Rappaport and his staff have my full support in their efforts to make solar energy an important contributor to the daily energy needs of the United States of America.

A little more than a year ago, I proposed to the Congress and to the people of the United States a comprehensive energy program. And now, at last, we have made a promising start towards conserving our limited resources of fossil and mineral fuel.

As the plan itself states, and I quote, "America's hope for energy to sustain economic growth beyond the year 2000 rests in large measure on the development of renewable and essentially inexhaustible sources of energy."

No matter how good a job of conservation we do, the world's supply of oil and gas will dwindle, become more expensive, and finally run out.

Foreign oil already costs us four times as much as it did 5 years ago. Our spending on imported oil has increased from \$2.7 billion in 1970 to more than \$45 billion last year. As a result, inflation robs us all, the value of the dollar has dropped on international monetary markets, and



our economy becomes more and more at the mercy of a foreign cartel.

We must begin the long, slow job of winning back our economic independence. Nobody can embargo sunlight. No cartel controls the Sun. Its energy will not run out. It will not pollute the air; it will not poison our waters. It's free from stench and smog. The Sun's power needs only to be collected, stored, and used.

We know that most of the technology for using the Sun's power already exists. And in my youth, as in many of yours, there were millions of windmills around the rural areas of our country. Hundreds of small damsites provided electric power. Some 10,000 years ago, in your area, Indians were using solar principles to heat dwellings at Mesa Verde and elsewhere.

The historically brief availability of low-cost energy from fossil fuels drove much of that early solar technology into temporary disuse, but now we are rebuilding on those earlier techniques.

The Anasazi Long House at Mesa Verde has fallen into ruins, but present day Coloradans have built perhaps as many as a thousand solar-heated homes, including the largest (solar-heated)<sup>1</sup> building in the United States, the North Campus of Denver Community College.

Larger and more efficient windmills are being designed, including one with a rotor as long as a football field. Damsites long abandoned in New England and elsewhere are being returned to use with improved equipment for generating electric power.

Government, private industry are working together and separately to develop dramatic new techniques, as well. Acres of mirrors can focus the Sun on "power towers" which will generate steam for electricity and for other use. Both gas and liquid fuel can be produced from animal

wastes, wood chips, even garbage. Small, sun-powered engines are already in use for irrigation. Photovoltaic cells convert sunlight directly into electricity.

The question is no longer whether solar energy works. We know it works. The only question is how to cut costs so that solar power can be used more widely and so that it will set a cap on rising oil prices.

In many places, solar heating is as economical today as power from nonrenewable sources. And solar energy will become ever more competitive as the prices of energy from traditional sources rise and the enormous Federal subsidies for oil and other energy uses drop.

The cost of generating power from the Sun is going down even as the cost of oil is rising. The price of photovoltaic cells, for example, has gone down 50-fold since they first began to be used extensively in the space program.

The Government will speed this program by increasing demand for solar hardware, so that mass production can help to bring prices down. And the plan will increase use of residential solar systems by offering more than a billion dollars in tax credits over the next 7 years.

Credits of as much as \$2,000 to each one of you, each homeowner, to install solar or wind energy systems will be available under the new comprehensive energy plan. I hope that homeowners will soon be able to take advantage of this major incentive to use solar technologies.

The plan will also make it easier to get loans for solar equipment, and we will further increase demand for solar technology by providing up to \$100 million over 3 years to install solar equipment in Federal buildings. I intend to put in a demonstration solar hot-water system at the White House.

I'm going to abbreviate my speech if you have no particular objection, but

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<sup>1</sup> Printed in the transcript.

there are a few more points I want to make specifically.

The Council on Environmental Quality recently estimated that we could meet as much as one-fourth of our energy demands for solar sources by the end of this century, and perhaps more than half by the year 2020. We must continue to make progress toward these goals.

The Department of Energy believes that photovoltaic cells can be competitive with conventional energy sources, perhaps as early as 1990. The Energy Department is working on many projects throughout this country, indeed throughout the world.

In fiscal 1979, with heating and cooling demonstrations, tax credits, and research and development with photovoltaics, wind, ocean thermals, and biomass, my total Federal proposal for solar energy amounts to more than one-half billion dollars. This is an increase of 64 percent in just 2 years.

In addition, I've been saving a small surprise for this particular occasion. We've been researching our energy needs in the last few months, and I have just instructed the Department of Energy, through reprogramming, to provide an additional \$100 million for expanded efforts in solar research development demonstration projects and the development of commercial uses, such as windmills, in the next fiscal year.

This is an appropriate day to concentrate Government effort on solar energy—[laughter]—but the bulk of the effort must be done still by private enterprise, by individual initiative, and by the inventive genius of the United States.

I don't want to skip over mentioning a few leaders here in Colorado. Your neighbor, George Löf, has lived in and designed solar homes since almost any American since 1945. The Christian Reform Church

Center of Hope is a solar showplace. Sam Primack has built dozens of solar-equipped houses in and around Denver. And they've been at a premium, with homeowners demanding the right to purchase such homes. The Federal Government is helping these kinds of projects all over our Nation.

Today I'm asking a domestic policy review of all our departments in the Federal Government, under the leadership of Jim Schlesinger, to go into more ways how every agency of Government can help solar energy become a part of the everyday life of American citizens.

Let me just say in closing that solar energy can already be a paying proposition, and American technological genius can bring the same blessings that the rural electrification program brought to me and millions of others when I lived as a small boy in Plains, Georgia.

I'm confident that American science and industry will lead the way in this new market here and in the developing nations of the world, as they earlier did in the spread of American aerospace, electronic, and computer technology.

These, then, are the challenges that we are finally beginning to meet. These are the challenges that we can meet, just as we met the challenge of the space race. And these are the challenges, with the help of all of you, that we will meet.

Sun Day may be the beginning and the dawning of the second solar age. With your help, we'll make this prediction come true.

Thank you very much.

NOTE: The President spoke at 4:05 p.m. following a tour of the Solar Energy Research Institute. Dr. Paul Rappaport is director of the institute.

The President proclaimed May 3, 1978, as Sun Day by Proclamation 4558, of March 27. The text of the proclamation is printed on page 574 of this volume.

## Denver, Colorado

**Remarks at a Fundraising Reception for Senator Floyd K. Haskell. May 3, 1978**

*Senator Hart, Governor Lamm, Congressman Tim Wirth, who's here somewhere, Mayor McNichols, Chairman Sheila Kowal, all of the distinguished Coloradans who are here:*

I'm here in support of solar energy; I'm here in support of Colorado. But primarily tonight, I'm here in support of one of the great Senators of all time, Floyd Haskell.

It's an honor for me to come and visit your State again. I want to talk primarily tonight about a man who represents the finest aspect of America and American politics, a man who has a great deal of influence. There are not very many Members, even of the United States Senate, who could bring to Colorado the Secretary of Agriculture and the Secretary of Interior without even trying very hard.

We have now a need to understand the comparisons between the Western part of our country and the Eastern. I grew up in an area which understood very clearly the differences between the North and the South. Lately, since agriculture, water, energy, environment became crucial issues in our country, I've seen these divisions arising between the Western part of our country and the East. One solution that's been presented by Dr. Zbigniew Brzezinski is to sell jet planes to both sides. [Laughter] But I think that we've got a better solution than that, and that is to elect and reelect to public office people who know what our Nation has been, know what its greatness is today, and to know how to make it even greater in the future.

This afternoon I met with a group of farmers who came to talk to me about some of the problems that exist in Ameri-

can agriculture, that came to complain about some of the policies of our administration with which, I might say, Floyd Haskell disagrees. But one of the farmers said that the most important reason for us to have an acceptable program for American farmers is to keep in office a Democrat like Floyd Haskell who, as the farmer said, is a quiet man, a man of deep beliefs, a man of great political courage, a man who does his homework in Colorado and his legislative work built upon it in Washington, a man who is modest, a man who is effective, a man who has an inner strength and, more important of all, the farmer told me this afternoon, a man who knows and loves his fellow human beings.

Long before I was elected President, I knew about Floyd Haskell, because in the early days when public officials were beginning to become concerned about the war in Vietnam, there was a member of the State legislature named Floyd Haskell who, without publicity and without fanfare, said, "This is not right, I cannot abide it. And in my own individual way, I will do all I can to get our Nation out of a war which is sapping the strength and the commitment and the spirit of American people."

And because of that quiet demonstration of courage, as you well know, he appealed to the people of Colorado and, in an unexpected election result, he became a United States Senator who's carried that quiet courage to Washington to represent you, and I'm thankful for it.

He believes in peace through strength, not just military strength, which is important, but the strength of a character of American people.

When I began to speak out during the campaign for the ending of the spread of nuclear explosives throughout the world, nonproliferation, I discovered that Floyd Haskell was already in the forefront of

Members of the Senate who were proposing legislation to prevent nonnuclear nations from having the ability to develop atomic weapons. And when I spoke out against an unfair, disgraceful tax system and called for decent basic tax reform when I got to Washington, I found out that many of my proposals which the Congress is now considering had long been espoused and supported—again you guessed it—by Floyd Haskell.

I've seen a resurgence throughout the world of interest in basic human rights. Again, this quiet, decent man has epitomized America's commitment for the world to see, of the preservation of innate human freedoms, an absence of political persecution, and the right of a person to live in a decent home, to have food to eat, an education for one's children, decent health care, and a right to develop as an individual.

Tonight I want to talk very briefly about another subject in which Senator Floyd Haskell has been a leader. One of the most important and difficult issues ever faced by the American Congress is that of establishing a comprehensive energy policy. Again, he is a leader, and he has singled out, as a special aspect of his interest, solar energy.

This has been derived by him, I know, from the people of Colorado. And he recognized very early that you experience here the blessing of 300 days of pure sunshine each year. Unfortunately, Floyd invited me to come to Colorado on one of the other 65. [*Laughter*]

He was on the committee in 1974 that established the concept of a solar energy research institute, not knowing at that time, but certainly hoping, that the nationwide headquarters for this effort would be in Colorado. And it's no accident that because of his good work as a leader of the Colorado delegation, that a package was put together with the help of

Governor Lamm and others that made the decision to come to Golden, Colorado, based not on political influence, but based on the fact that you deserved it. And he made sure that Colorado deserved this honor.

We live in a great Nation and a fast-changing world. My own background is in engineering and physics. I was one of the early students and workers in establishing the concept that atomic power could be used for peaceful purposes. But as Floyd Haskell has pointed out in some of his speeches, it's not exactly logical to have a nuclear core developing millions of degrees of heat, and temperature heating a cooling agent to thousands of degrees, to be transported hundreds of miles, to heat a house to 68 degrees. But that's what we do.

And the tremendous Government subsidy that must go into systems of this kind and extremely low efficiency of this kind of heat production has long been recognized by him and others as wasteful and incompatible with the hopes and ideals of American people.

We've got a nuclear generator, a nuclear powerplant that serves us well. It's one on which Coloradans would like to see the future energy technology built. It's in a safe place—92 million miles away—and the name of it is the Sun.

Well, I think it's accurate to say that no one is against solar energy. But a lot of Americans, a lot of people around the world don't believe that it's time yet for solar energy to be used.

I grew up on a farm in deep south Georgia. We derived our only mechanical power from the wind. We plowed our fields with mules and horses fed by crops grown from the Sun. When we were ready for harvest, we didn't use natural gas or propane or oil to dry our crops. It was dried by the Sun. And this was a common practice in agriculture and other indus-

tries of all kinds throughout our Nation and throughout the world, indeed, just a few decades ago.

But because of the extremely and artificially cheap fossil fuels, the use of solar power has become a system honored by disuse. It's been forgotten. But now that the price of oil, gas, coal, nuclear are going up rapidly and inevitably, the time has now come for the second solar age. And I believe today, Sun Day, in Colorado is a good time to launch this new commitment which I, myself, as President, will honor, working with people like Floyd Haskell, whom you've come to honor tonight.

In closing, let me say that it's not an accident that the first loan program to permit homeowners to purchase a solar system for their own places of residence was initiated by Floyd Haskell. It is no coincidence that when energy legislation was being prepared, the tax credits being expanded to include passive solar heating systems and wind power was pursued and introduced by Floyd Haskell.

It's no coincidence that for years, 5 years, in service in the Senate, a leading proponent and a constant battler for research funds for solar power was Floyd Haskell.

This proves to you that day by day, month by month, year by year, not just on election year, he has fought for and worked for the things that are important to the people of Colorado.

I'd like to add one adjective in addition to what the farmer mentioned this afternoon, and that is that he's strong and independent. When he disagrees with me as President, he never hides that disagreement from me or from the world. And I've benefited greatly as a new President, a new student of Washington political life, from the calm and sound advice and counsel and con-

structive criticism of my friend, Floyd Haskell.

In many ways, he's a national treasure, and I know that you've come here tonight to let your voice be added to many others in support of him. But I can tell you this: This is not going to be an easy election year for Floyd Haskell nor for other Democrats in this country. It's going to take more than a quiet expression of support at a very inexpensive fundraising event like this. It is going to take days of hard work and dedication, even sacrifice of your own time, your own effort, your own influence and your own finances. And I hope as he's worked and sacrificed for you for the last 5 years, that you will do the same thing for him during the next few months. If you do, Colorado will be blessed again and so will the United States of America.

Thank you very much.

NOTE: The President spoke at 8:44 p.m. at the Currigan Exhibition Center. In his opening remarks, he referred to Sheila Kowal, chairman of the Colorado Democratic Party.

## Denver, Colorado

**Remarks at the Governor's Annual Prayer Breakfast. May 4, 1978**

*Governor Dick Lamm and other political and professional leaders of Colorado, leaders in God's church, fellow citizens of a country that has been blessed by God with riches of all kinds, giving us a sense of self-worth which, perhaps, we do not deserve, and a growing sense that these blessings of God may have been appreciated too little and cared for with disdain or neglect:*

When I was a small boy, there was a story that was always told about a man who was plowing in the field behind a mule, and he was very tired of this pro-

fession. And one day he knelt in the middle of the field and asked God to give him some guidance on how he should spend the rest of his life. And as he finished his prayer and looked up into the heavens, he thought he saw spelled out in the clouds something that looked like "g-o-a-p." So he said, "God wants me to go out and preach." So, after 2 years of unsuccessful ministry in the pulpit, he realized that God was telling him to go on and plow. *[Laughter]*

We ourselves, no matter what our profession might be, no matter what our calling might be in life, often feel that we are aliens in God's world. This morning we are remembering an admonition from native Americans who, perhaps, as much as any group of human beings on Earth, have lived and often still live in close communion with nature. And their admonition is "Touch the Earth."

God said, "The Earth is Mine and the fullness thereof." We are increasingly reminded of how much we have despoiled God's Earth.

A few days ago, I had a visitor in the Oval Office whose name was Iron Eyes Cody. I know all of you have seen the award-winning advertisement on television where a dignified, proud, quite native American, Iron Eyes Cody, walks across what seems to be God's beautiful Earth, looks down at his feet and sees trash, garbage, dips his hand in what ought to be a clear stream and comes up with filth, and a tear runs down his cheek. There are no words spoken, but the message is gripping and impelling.

We look upon the mysteries of nature with great wonder and a growing realization of the unfathomable accomplishment of God. Recently, for the first time, we detected with assurance a so-called black hole in the heavens, a phenomenon known to astronomers where a world such as we know collapses with such tremen-

dous force that a cubic inch of that material can weigh thousands and thousands and thousands of tons, with a pole of gravity so great that nothing can escape, even a ray of light. And from our own observation here on Earth looking toward it, a black hole is created because no light can leave it nor pass near it.

These infinite phenomena cause us concern, but they also teach us how fragile is the environment created for us on Earth, given to us by God, carefully balanced, very delicate, subject to minute, incremental changes made by you and me which can destroy the very gift of life that we've received from God.

My first memory of farming during the thirties was struggling to preserve the quality of our land which steadily deteriorated—in Georgia, in Oklahoma, perhaps, here in Colorado. Because of inattention to our stewardship of the land, the topsoil was washed away, or the topsoil was blown away, or the quality of the earth itself deteriorated rapidly. And there was a sense of foreboding, of warning about the future getting ever more troubling to the farmers who lived there.

The church itself, all denominations, organized annual stewardship weeks, and the laymen and the pastors, the preachers, the priests would devote that whole week from the pulpit of God's church to teach farmers and others how to preserve the quality of their land. We didn't burn much oil and gasoline or coal in those days. The air was pure. The streams were contaminated only by earth which had washed away. But in those early days of warning in my own life 40 years ago, I have seen a deterioration since then with other forms of pollution that have caused us even greater concern.

As a coastal State, Georgia and others like it are faced with the present circumstance where sand beaches, so attractive to tourists and others who love the ocean,

have disappeared because of a destruction of the sand dunes and the normal, inevitable actions of the waves and the air.

Noise impacts on our ears in such a way that we hardly recognize the level of disturbance that's constant to our human brains. The White House is located in an area of about 18 acres that seems to be quiet and peaceful. But when my wife and I play tennis on the court there, we cannot hear each other from one end of the court to the other when we try to shout out the score or communicate between two people.

We don't realize how much we have permitted a deterioration in the quality of the place where we live.

For millions of years, fossil fuels were built up with a strange chemical mechanism and a strange physical pressure mechanism. And in just a few decades, we've wasted most of those fossil fuels and now face with imminence deprivation for our children and our grandchildren, brought about by our own uncorrected, wasteful ways. This sense of carelessness or callousness or even destruction of God's earth and air and water has a depressing effect on the human spirit.

It's not just a physical thing; it's a spiritual thing. And as we who worship God care little about our own physical surroundings, so we've shown in the Christian church and other churches a callousness toward human beings.

I've traveled a lot in recent years, as President and before, to foreign countries. And there is a reluctance within the churches of all denominations to reach out a helping hand to the poor, the deprived, those who suffer from a deprivation of basic civil rights, basic human rights.

There is an upcoming conference in Mexico where that is and will be the

main problem for church leaders to face—"How much should we care for our fellow human beings? How much should a church be isolated from people around the worshippers?"

We, as a nation, are committed to the preservation and enhancement of human rights. But quite often, we preach with a hollow voice because of an absence of a total commitment to civil rights, human rights, the basic needs of people in our own great and free land. But still there is a tie that binds us together which is a basis for future hope.

One of the most moving religious statements that I've ever heard was in the State Dining Room of the White House about a year ago, when Crown Prince Fahd from Saudi Arabia pointed out the indestructible religious commitment of the people of his land.

Later, when we were gratified to see a meeting between the Egyptians and the Israelis at their top leadership level and a breaking down of decades of insurmountable barriers between two peoples who genuinely want peace, as I talked privately with those leaders, they pointed out that the thing they had in common that gave them hope for the future was a common belief in God. They both say with pride, "We are children of Abraham." It gives a sense of community.

Perhaps the great struggle in the future will come in Africa between the free world and the Communist form of government. Black Africans have long felt a need for a deep religious faith, whether Islam, Christianity, or others, and they have an abhorrence of the intrusion of an atheistic officialdom in their own country.

So, our faith in God, no matter what form it may have taken in our own individual lives, can be a basis for repairing the damage that has been done to the human spirit and should be a constant reminder that we have an equivalent re-

sponsibility to care for the environment, the ecology, the place where we live. We have a responsibility for stewardship.

The Bible says that the body is a temple of God and that we should care for our own bodies and for those around us.

So, I think that as we've gone through this phase of constantly deteriorating commitment to the premises of God, we've now begun to realize our faults, our failures, and with that realization can come the basis for correcting our defects, answering difficult questions, resolving apparently insurmountable problems, and joining our hearts and minds together in a commitment for a better future—a future for the Earth, a future for our fellow men, and a future for our spirit as human beings under the guidance and with the commitment to God through prayer.

These should be the noble endeavors of all human beings. And in our own great Nation, the United States, we have a pulpit and we have a base for correcting our own mistakes and setting example for others throughout the Earth.

Thank you very much.

NOTE: The President spoke at 7:50 a.m. at the Curriegan Exhibition Center.

## Denver, Colorado

***Remarks at a Meeting With Environmental, Community, and Governmental Leaders.***  
**May 4, 1978**

*Senator Haskell, Senator Hart, Governor Dick Lamm, Representatives Tim Wirth and Pat Schroeder, Mayor McNichols, ladies and gentlemen:*

Yesterday when I arrived for Sun Day, it was raining. This morning when I'm going to talk about the smog—[laughter]—in Denver, you have beautiful skies.

I think this illustrates what careful planning can do. And I have had my heart warmed with the welcome here, and it is a wonderful thing for me to come back to your beautiful State and a beautiful city.

During the past decades, Americans have become dramatically more aware of two momentous problems, the problem of the environment and the problem of energy. It's no accident that these two great issues have become prominent at almost exactly the same time, for the use and abuse of energy has led to many of the injuries to the air, to the land, and to water.

Our growing consciousness of the environment has helped us to understand that we must develop and use energy far more carefully than we've ever done before. Today I'm pleased to announce two important initiatives that will help us to live at peace with our environmental needs and also our energy needs—the Denver Air Project, which I'll outline in a few minutes, and our new, 5-year proposal for inland energy impact assistance.

Not long ago in Denver, you could almost always see the mountains in the distance and you could almost always draw a deep breath of air with pleasure and safety. But today, a brown cloud of dangerous pollution frequently hides the mountains and invades the lungs of the people of this city.

Because of the great resources of the Rocky Mountain Plains Region—energy, mineral, agricultural, recreational—Denver has been growing at a rate two and a half times greater than that of the average American community.

By the year 2000, if present growth continues, you will, in Denver, add another Washington, D.C. Car use here, automobiles, has grown even faster than that. In fact, Denver has more cars per



capita than any other metropolitan area in the United States, perhaps the world.

The result has been financial prosperity and also problems. Denver has the worst carbon monoxide problem in the whole Nation, three times worse than national health and safety standards permit. And other pollutants—hydrocarbons, sulfur oxides, particulates—endanger the air of your beautiful community.

The Denver Air Project will greatly improve the coordination, for the first time in the history of our country, of 25 different Federal activities that relate to air pollution in the metropolitan area. This has never been attempted before. The project will make an additional \$15 million available for such activities as transit-related construction, van pool projects, free off-peak bus service, electric car use, and efforts to prevent tampering with antipollution devices on automobiles.

Up to \$42 million may be made available as this project develops if it is successful, and I expect it to be successful.

In addition, a separate \$16 million urban mass transit grant from the Department of Transportation will also go to improve bus service here in Denver.

I believe that we can deal with this problem not through heavy-handed government prohibitions, but rather through a positive demonstration of how Federal, State, and local resources and, of course, those of the private sector as well, can be brought to bear in a coordinated way.

The Federal Regional Council, under Betty Miller, has done an unprecedented job in bringing together all these forces in a common effort, working very closely with Alan Merson of the Environmental Protection Agency.

Denver's pollution problem is decentralized. It's not caused by a few large pollution-spouting factories or industrial

plants, but it's caused by hundreds of thousands of individual vehicles. That means that everyone must help to deal with the problems. And I'm confident that the people of Denver will respond with support for the efforts that will be launched or enhanced through the Denver Air Project.

This morning I looked at a pledge card that's now being distributed among the people of Denver, asking individual citizens to promise to ride the bus, to ride a bicycle, to walk to work, to share a car, to have their air pollution devices carefully adjusted, to have special devices installed for the high altitude combustion required of automobile engines here, quite often built for a much denser atmosphere.

But the desire of people for a healthy environment, while meeting our own energy needs, is not unique in urban areas. Places like the western slope of Colorado and the coal fields of West Virginia will play a major role in helping our country meet pressing demands for alternatives to oil and natural gas.

When I announced my comprehensive energy plan a little more than a year ago, I promised that no State, no community, and no Indian tribe would be forced to bear an unfair share of the burden of meeting our national energy needs. We recognized the disruption of rural communities which rapid development of new energy sources can bring. The boom and bust syndrome in communities such as Craig must not continue.

My administration, Governor Lamm, and Governors of other Western and Appalachian States joined with community and tribal leaders in a task force to determine what additional Federal assistance was needed to help communities overcome the problems caused by extraordinary energy-related growth.

Senators Hart and Haskell had already done much of the spadework through hearings and through legislative proposals. Congress Members Wirth and Schroeder are enthusiastic supporters of this kind of legislation. Their work is now reflected in a new proposal for inland energy impact assistance, which I'm announcing here today. This proposal, which Senator Hart has agreed to incorporate into his own bill, recognizes that no one wants rampant, uncontrolled growth which destroys the natural environment, disrupts established patterns of life, and locks communities into expenditures with a short burst of effort which they cannot afford to maintain on a permanent basis.

It also recognizes that economic benefits, new jobs, and new tax revenues can result from new development in a beneficial way if it's properly planned.

My proposal is predicated on a strong partnership with the States, recognizing that they can better set priorities and policies which will assist communities while making sure that those whose benefit derives from new development pay their share of the cost.

This legislation will establish a 5-year program of energy impact assistance and other aid to inland areas, which will be funded by \$675 million in direct Federal grants. It also provides up to \$1½ billion in loan guarantees to States at subsidized interest rates. The Economic Development Assistance program will administer this program and give impacted areas one place to turn for assistance, the EDA.

Under this proposal, States and local communities will be guaranteed a timely voice in Federal decisionmaking related to energy development within their own jurisdictions. The Federal Government will join with States and communities, locally, to assess more fully the needs for facilities and services that are related directly to energy development.

The States and local governments in turn must be able to plan for energy development and to gradually increase their own contribution to meeting impact needs on a permanent basis.

This new program is both comprehensive and flexible enough to let States tailor impact assistance programs to their own specific needs.

Senator Haskell, along with the Members of the congressional delegation from the Appalachian States, has labored long and hard to provide impact assistance programs for housing. While I believe the new program meets all energy impact needs, not only housing, I would not object to Congress designating some of these new funds for the alternative housing program.

The cooperation and knowledge which I have found among the Governors, key Members of Congress whom I've already mentioned, and representatives of individual communities and tribes has really paid off. I believe that working together we can enact legislation this year which will give energy-impacted areas the help they need so much. Together, we will not fail.

Thank you very much.

NOTE: The President spoke at 8:20 a.m. in the Broadway Arms Room at the Cosmopolitan Hotel.

## Los Angeles, California

*Remarks at the 100th Anniversary Luncheon of the Los Angeles County Bar Association.  
May 4, 1978*

*Governor Brown, Mayor Bradley, President Williams, President-elect Taylor, distinguished members of the Los Angeles County Bar, ladies and gentlemen:*

For the last half hour, I've been sitting in a room nearby listening to the report

on the background of this tremendous organization and also listening to the report on the future of the organization. And I've been thrilled with your past accomplishments, and I've been touched by some of the struggles that you've experienced in your own history. I congratulate you on your 100th anniversary.

I would like to begin my speech with a quote from a book published in 1852.

"Jarndyce and Jarndyce drones on. This scarecrow of a suit has, in the course of time, become so complicated that no man alive knows what it means—innumerable children have been born into the case; innumerable old people have died out of it; whole families have inherited legendary hatreds with the suit—there are not three Jarndyces left upon the earth, perhaps since old Tom Jarndyce in despair blew his brains out at a coffee house in Chancery Lane, but Jarndyce and Jarndyce still drags its dreary length before the court."

This quotation comes from the novel "Bleak House," and although Charles Dickens, who, by the way, was a court reporter himself, was writing about a chancery suit in London long ago, he could have been writing about a modern antitrust suit in Federal Court. His subject was the same that should preoccupy you and me—lawyers, mayors, Governors, and the President of the United States, that is, ensuring that our legal system serves the ends of justice without delay.

I'm not a lawyer, but there is no question that has concerned me more throughout my adult life than that of human justice—striving to alleviate the inequalities, the unfairness, the chance differences of fortune that exist among people, and to help ensure that all people possess the basic material and political rights that they need for full participation in the life of our society.

I grew up in a community in Georgia that often did not provide simple justice for a majority of our citizens because of the divisions of privilege between those who owned land and property and those who did not, the divisions of power between those who controlled the political system and those who were controlled by it, the wall of discrimination that separated blacks and whites.

As a Governor and as a President, I've learned that, as Reinhold Niebuhr said, "It is the sad duty of politics to establish justice in a sinful world." I'm trying now as your President to carry our Nation's message of basic justice and human rights to other nations. But I know that we cannot speak of human rights in other countries unless we are going to do our utmost to protect the rights of our own people here at home.

Let me tell you about some of the things that concern me.

On the last day of the administration of Lyndon Johnson, the Government filed an antitrust suit against a major computer company. Nine years have passed; three new Presidential administrations have taken office; hundreds of millions of dollars have been spent on legal fees. But still the trial is not nearly over, and it has been speculated that the judge who has supervised it for the last 9 years may die or retire before the trial is completed, in which case it would start all over again. Generations of computers have come and gone; there is not a single computer now being sold that were being sold when the case began—but still the case goes on.

I'm worried about a legal system in which expensive talent on both sides produces interminable delay—especially when delay itself can often mean victory for one side.

Justice should not be forced to obey the timetables of those who seek to avoid it.

As a public official I've inspected many prisons, and I know that nearly all inmates are drawn from the ranks of the powerless and the poor. A child of privilege frequently receives the benefit of the doubt; a child of poverty seldom does.

In many courts, plea bargaining serves the convenience of the judge and the lawyers, not the ends of justice, because the courts simply lack the time to give everyone a fair trial.

We have the heaviest concentration of lawyers on Earth—1 for every 500 Americans; three times as many as are in England, four times as many as are in West Germany, twenty-one times as many as there are in Japan. We have more litigation, but I am not sure that we have more justice. No resources of talent and training in our own society, even including the medical care, is more wastefully or unfairly distributed than legal skills.

Ninety percent of our lawyers serve 10 percent of our people. We are over-lawyered and under-represented.

Excessive litigation and legal feather-bedding are encouraged. Noncontested divorces become major legal confrontations in many States. Complete title searches on the same property are unnecessarily repeated with each sale. Routine automobile accidents—the cases clog our courts while no-fault automobile insurance is opposed.

The number of medical malpractice suits skyrockets. Mahatma Gandhi, who himself was a very successful lawyer, said of his profession, and I quote, "Lawyers will as a rule advance quarrels rather than repress them." We do not serve justice when we encourage disputes in our society, rather than resolving them.

In my own region of the country, perhaps even yours as well, lawyers of great influence and prestige led the fight against civil rights and economic justice. They were paid lavish fees by their States and heaped with honors for their efforts. They knew all the maneuvers, and for too long they kept the promises of the Constitution of the United States from coming true.

The basic right to vote, to hold a job, to own a home, to be informed of one's legal rights when arrested, to have legal counsel if an indigent—these rights have been denied for generations in our country and are being recently won only after intense struggle.

I think about these things when I come to speak with you. What I think about most, however, is the enormous potential for good within an aroused legal profession and how often that potential has not been and is not used. More than any other nation on Earth, ours was created out of respect for the law. We had the first written Constitution—it's the oldest. We proclaimed ourselves a government of laws, not of men; we put our faith in interpretations of the laws to resolve our most basic disputes.

None of us would change our system of laws and justice for any other in the world. From the beginning, it made the citizens the masters of the state and not the other way around, and it has extended increasing protection to the poor and the victims of discrimination.

It's because of the enormous power of the law, and of the position of great influence and privilege which lawyers occupy within our society, that lawyers bear such a heavy obligation to serve the ends of true justice and, through dynamic effort, individually and collectively, through organizations such as this, search for those ends of justice.

I know that you understand these obligations. During the last generation, many of our most important advances toward racial integration and protection of our people against government and its abuse have been made through the courts.

I heard the comments a few minutes ago about Chief Justice Earl Warren, who has been an inspiration to all of us who serve in government. But let me mention briefly four challenges that we should face in order to improve justice in America: first, in making criminal justice fairer, faster, more sensible, and more certain; second, in holding the law to the highest standards of impartiality, honesty, and fairness; third, in ensuring that access to the legal systems does not depend on political influence or economic power; and fourth, in reducing our overreliance on litigation, and speeding up those cases that are litigated.

Our starting point in ensuring justice is to reduce crime through measures that are effective and fair.

There was encouraging progress in this direction last year, when the volume of crime fell for the first time in many years by 4 percent below the previous year's level. It's a welcome development, but it does not change the urgent need to control crime. States and local governments must take the lead in this effort, but the Federal Government must do its part.

We should streamline the Federal Criminal Code, which now contains many provisions which overlap, duplicate one another, are inconsistent, and need upgrading. With the leadership of Senators Eastland and Kennedy and the late Senator McClellan, a 12-year effort recently culminated in Senate passage of this new, comprehensive criminal code, I hope the House will pass it this year without delay.

We are working with congressional leaders to reorganize the Law Enforcement Assistance Agency, to gear our funding system to our most pressing needs, to provide better support for State and local governments, and to concentrate our help on improving the criminal justice system and reducing crime. I'll propose a consolidation and a reorganization of many of the functions now performed by more than 110 different Federal agencies that have direct responsibility for law enforcement.

We can reduce the tremendous overload on our criminal justice system by removing such crimes as drunkenness and vagrancy from the courts, thereby freeing the courts to deal with serious offenses and enabling us to treat these social illnesses in ways that offer a greater hope of success than conviction and incarceration.

I'm supporting uniform sentencing standards for Federal offenses, which will make the punishment for crimes more rational and fair and will help ensure that the rich and the poor are treated alike, no matter what court might convict them.

Powerful white-collar criminals cheat consumers of millions of dollars; public officials who abuse their high rank damage the integrity of our Nation in profound and longlasting ways. But too often, these bigshot crooks escape the full consequences of their acts. Justice must be blind to rank, power, and position. The Justice Department is now undertaking a major new effort on white-collar crime.

I've directed the Justice Department also to review our prison policy and propose alternatives to incarceration, such as stationhouse citations, supervised release, work-release programs, and other community-based facilities.

I urge all judges and all lawyers to use your enormous influence to make these efforts a success.

Our second challenge is to see that our legal system lives up to its noblest tradition of honesty and impartiality, so that all people stand equal before the bar of justice.

One of the most important steps that we can take is to restore public confidence in our system of justice, is to ensure that government decisions are thoroughly impartial, and that personal interests and influence have no part. I've required all major appointees of mine, as a condition of accepting office, to disclose their personal financial interests. I've also required them to pledge that after their term of public service is over, they would forgo all contacts with their former agency in Government for 1 year.

Last year, I proposed legislation to make these standards a permanent part of American law. In its current form, this ethics legislation would extend similar standards to the legislative and judicial branches of our Government. It's already passed the Senate and cleared the Rules Committee in the House and is ready for floor action without delay.

Last week, the House passed a bill I supported requiring those organizations which do significant lobbying of Congress to disclose their activities to the public. Although lobbying is a constitutionally protected activity, the American people have a right to know what major forces are affecting the legislative processes. It's time now for the Senate to follow the lead of the House and pass a lobby reform bill.

Law enforcement agencies must set a clear example for their respect for the law. Recently, as the number of undocumented aliens has grown, there's been a disturbing trend particularly in your part of the country toward routine police harassment of our Mexican American citizens. I know that your own bar association has studied this problem.

Last month, the Justice Department intervened in a harassment case in Texas where three policemen had been convicted for the death of a Mexican American prisoner. In filing for a review of the 1-year jail term given to the convicted men, the Justice Department said, and I quote, "The public perception of inequality and the belief that the life of a Mexican American citizen has little value can only do damage to respect for the laws and belief in justice."

This kind of harassment must stop, and my administration, working with you, will do what it can to see that it does. Moreover, we've submitted legislation to Congress now which will stop the flow of illegal immigration while fully protecting the rights of our Hispanic citizens.

When I was Governor of Georgia, I appointed judges on the basis of merit alone. And one of my first acts as President was to create nominating commissions to recommend candidates to me for all appointments as Federal circuit judges. I'm pleased that many Senators, including those from California, have now set up similar commissions at the district court level.

The passage of the Omnibus Judgeship Act, now pending in a House-Senate conference committee, will provide a test for the concept of merit selection. The conferees have recently agreed that the President should set standards and guidelines governing the selection of district judges, and I intend to use this authority to encourage establishment of more merit panels and to open the selection process.

The passage of this act—which will create 152 Federal judgeships—offers a unique opportunity to make our judiciary more fully representative of our population. We have an abominable record to date. Of the 525 Federal judges, only 20

are black or Hispanic, and only 6, about 1 percent, are women.

While the Federal bench in southern California has become more representative, this is not true elsewhere in the Nation. My Executive order on the Circuit Court Nominating Commission specifically requires special efforts to identify qualified minority and female candidates.

During too many of the struggles for equal justice, just in the lifetimes of you and me—the questions of one-man, one-vote, voting rights for blacks, representation for indigent clients, and others—much of the organized bar sat on the sidelines or actually opposed these efforts. In today's struggle for women's rights, the passage of the equal rights amendment and the full participation of women and minorities at all levels of our society, I hope that lawyers throughout the country will follow the actions that your bar association has already taken here in Los Angeles County.

The third challenge is suggested by the American Bar Association's theme for this year: "Access to Justice." Too often, the amount of justice that a person gets depends on the amount of money that he or she can pay. Access to justice must not depend on economic status, and it must not be thwarted by arbitrary procedural rules.

Overcoming these procedural barriers means that groups with distinct interests to defend—in civil rights, economic questions, environmental causes, and so forth—must be able to defend them fully. We are supporting efforts to broaden the use of class action and to expand the definitions of standing to sue. My administration supports bills before Congress that would empower citizens to participate in the proceedings of Federal agencies—a right that has too often been reserved for the large and the powerful corporations which have the legal resources to express their view forcefully.

We must remove the economic barriers to justice. When a poor family is cheated by a merchant, unfairly threatened with eviction, falsely accused of a crime, it can very rarely take advantage of the skilled legal talent at reasonable rates.

In the city of New York there are 35,000 lawyers—1 for every 200 citizens. But only a handful of these lawyers are available for service to the city's 1 million poor—1 lawyer for every 5,000 poor people. That's why we have now expanded the Legal Services Corporation. In fiscal year 1979, its budget will be more than twice as large as it was when my administration took office about a year ago.

But you know and I know that legal help is often beyond the reach of most of the middle-class Americans, as well. Here, too, I believe that the bar has an obligation to accommodate those with modest incomes. Free and open competition is the best way to bring legal services within the reach of average citizens. Another solution, which my administration supports, is the expansion of prepaid legal plans, legal clinics, and other low-cost alternatives, such as those pioneered by the United Automobile Workers. The Neighborhood Justice Center near here in Venice and Marvista is a good example of what we are trying to do.

I also ask that lawyers join the effort to stop inflation by following the example we've asked of every other group in our society and to join in decelerating the rise in legal fees. This morning, new inflation figures were published in Washington that caused me grave concern. How can we, the privileged members of American society, call upon the working people, the men and women of our country, to make a financial sacrifice to deal with inflation unless attorneys, doctors, accountants, other professionals, Presidents, assume the same responsibility to assist in our efforts to keep a lid on inflation?

One of the greatest failings of the organized bar in the past century since the American Bar Association was founded is that it has fought innovations. When greater competition has come to the legal profession, when no-fault systems have been adopted, when lawyers have begun to advertise or compete—in short, when the profession has accommodated the interests of the public, it's done so only when forced to.

Constructive work is now under way, and as this second century of the bar association begins, the people of this country are beginning to see leadership from the members of the bar.

But as we make litigation more accessible, our fourth challenge is to make the adversary system less necessary for the daily lives of most Americans—and more efficient when it must be used. By resorting to litigation at the drop of a hat, by regarding the adversary system as an end in itself, we have made justice more cumbersome, more expensive, and less equal than it ought to be. This is a phenomenon more and more widely recognized, I know, among members of the bar.

One answer is to be sure that other pathways to justice do exist. Many suggestions have already been made for making litigation less necessary, and my administration will work with you and other members of the bar to implement them.

In a great number of cases there is no sound reason for a lawyer to be involved in land transfers or title searches. Simplified procedures and use of modern computer technology can save consumers needless legal fees.

We must eliminate from our judicial system cases which can be resolved in other ways. No-fault automobile insurance systems, adopted by many States, are a step in the right direction. National standards for no-fault will have a much greater impact. We support no-fault

divorce laws, like those passed when I was Governor of Georgia and the ones passed here in California, that can reduce litigation that's unnecessary and also the bitterness that litigation brings. We must look for ways to reduce the tremendous burden of medical malpractice costs.

Delays in our courts because of excessive litigation are matched by the interminable delays in many Federal regulatory agencies.

In trying to solve society's problems, our regulators have proposed unnecessarily detailed specifications and written regulations in the kind of gobbledygook that could employ a generation of law school graduates just to interpret them.

I've pledged to reduce this regulatory burden for the first time on American citizens, and we've taken some steps toward change. A few weeks ago, I signed an Executive order that will be carried out, which requires that heads of departments and agencies personally approve the regulatory agendas of their organizations, that regulations be signed by the one who wrote them, that regulations be gone over rigorously in "sunset" reviews to terminate them when they have served their purpose, that they be simply written, and that they are the most cost-effective rules possible to devise.

Where the free marketplace can do a better job than regulations—as in the setting of airline fares—I will work hard to deregulate that industry and to encourage free and effective competition.

The Senate has passed a superb airline deregulation bill. I predict that next week it will come out of the House subcommittee, and we expect success on the floor of the House.

We must also find a way to remove the vested interests in overlitigation and delay. Last year, corporations spent \$24 billion on legal services—12 times as much as we spent on all Federal, State,



and local courts combined. We must ask whether this is the right way or the best way to conserve our legal resources or to ensure justice.

We are reviewing suggestions for reducing litigation, including more arbitration, greater reliance on small claims courts, and experiments with alternative systems for resolving disputes, such as the experimental arbitration systems now in existence in San Francisco, in Philadelphia, and in other parts of our country.

But even with all these steps, much litigation will, of course, still be necessary. There are a variety of steps that can be taken together to make necessary litigation more efficient and to reduce unnecessary delays.

I support legislation now in Congress to expand the functions and the jurisdiction of Federal magistrates, to reduce the burden on Federal judges.

I support a speedy appeals act to reduce the delay between sentencing and appeal, and I've directed Attorney General Bell to study whether we can also apply strict time limits to civil trials and to regulatory proceedings.

Those of us—Presidents and lawyers—who enjoy privilege, power, and influence in our society can be called to harsh account for the ways we are using this power. Our hierarchy of privilege in this Nation, based not on birth but on social and economic status, tends to insulate some of us from the problems faced by the average American. The natural tendency for all of us is to ignore what does not touch us directly. The natural temptation when dealing with the law is to ensure that whatever is legal is just.

But if our Nation is to thrive, if we are to fulfill the vision and promise of our Founding Fathers, if we are truly to serve the ends of justice, we must look beyond these comfortable insulations of privilege.

I have too much respect for the potential of the law to believe that this leadership is not possible from you.

I hope that lawyers throughout the country will take up the challenges I have made today. I know you understand the responsibility to serve justice. You have dedicated your very lives to this task.

This responsibility is older than our Constitution, older than the Bill of Rights, older even than the tradition of the common law. It comes from the roots of our Western heritage, with the prophet Amos, who said, "Let justice roll down like waters, and righteousness like an ever-flowing stream."

Thank you very much.

NOTE: The President spoke at 12:13 p.m. at the Dorothy Chandler Pavilion of the Los Angeles Music Center. In his opening remarks, he referred to Samuel L. Williams, president, and John D. Taylor, president-elect, Los Angeles County Bar Association.

Following his remarks, the President attended a reception for bar and civic leaders and elected officials in the Founders Room at the Dorothy Chandler Pavilion.

## Los Angeles, California

*Remarks at the Senior Citizens Nutrition Center of the Watts Labor Community Action Committee. May 4, 1978*

*So I won't forget: Ted Watkins, Governor Brown, Mayor Tom Bradley, Congressman Hawkins and Senator Waters, Supervisor Hahn, Merv Dymally, other Members of the Congress, my friends, ladies and gentlemen:*

How you doing? I'm glad to be back. As many of you may remember, this is where I started my campaign in Los Angeles. I was a stranger and you took me in. I thank you for it.

It's been almost 2 years since I was here also to dedicate part of the Martin Luther King Hospital, and 2 years ago

this month, I spoke here at the Nutrition Center during the California primary. A lot has happened to me since then—[laughter]—and I saw as we came through a few minutes ago, around Franklin Square and in five or six other places, with the move on housing, that many things have been happening to you here in Watts. And I want to congratulate all of you who are responsible for making this community grow and thrive and be bound close together in a spirit of brotherhood and sisterhood and make progress. Thanks to you and all those on the stage with me.

I know that the Watts area has a lot of problems, but you've got a lot going on among all of you that's almost guaranteed to make the future even brighter. You've got Gus Hawkins, Ted Watkins. I've been talking to Gus in the automobile just a few minutes ago, and I'm working with him now in the Senate—we've already been successful in the House—to pass the Humphrey-Hawkins full employment bill that's going to help all of you and your neighbors.

You've got the largest percentage of homeowners of any urban black community in the whole country. And that speaks well of you, because I know of nothing that can create more security now and a better prospect for the future, for your children and your grandchildren, than to have a place you can call your own, a permanent home. And that's a fact that's not very well known around our country, about Watts, but it shows that you've got the spirit to overcome difficulties and plan for a great future.

And you've got people like Elvin Hudson at the Broadway Federal Savings and Loan who care enough—I wish all bankers did this—but he cares enough so that 90 percent of all the deposits made in his bank are loaned out, right here in

this community, to let people own even more homes.

Other financial institutions have joined to provide storefront mortgaging counseling and to fund the Hope program. I know Mayor Bradley is very proud of that program. It's amazing how many people in our Nation don't know how to go and get financial assistance, to borrow some money, to buy furniture, to buy a home. And they need counseling, they need to be taught. And it doesn't have to be done by government agencies.

When you have enlightened public officials like these and enlightened lending institutions like you have, it makes it much easier for you to meet your needs. Like most inner-city neighborhoods, Watts has problems with redlining, where banks say we will make no loans, no matter what the quality of the family, no matter how secure their jobs in a certain part of our cities.

With my strong support, the Federal Home Loan Bank Board has issued tough, new rules which will help end redlining in all parts of the country. And you've set a good example here.

We've doubled money available for repairing and rehabilitating homes, and this has also been supplemented by new money to build more new housing for the low- and the moderate-income families. We've cut the FHA downpayments, and we've increased the insurance for mortgages to make it easier for the moderate-income family to become homeowners.

The new urban policy that we recently announced will further aid areas like Watts. It will provide employment tax credits and expanded training subsidies to encourage private industry to hire the unemployed who especially have a difficult time getting a job.

We're providing low-interest loans through a new national development bank, an expanded economic develop-

ment grant program, and special investment tax credits to businesses to give them less taxes to pay if they will move their business and set up a new business in areas like your own where the unemployment rate is high.

We're providing direct payments to neighborhood groups and organizations, like those here in Watts, for community crime control, to repair housing, and for neighborhood development.

This urban policy will strengthen minority businesses. We passed a public works bill last year, several billions of dollars, \$4 billion, and for the first time, with the help of people like the Congressman here on the stage with me, we put in the law that at least 10 percent of all the projects built had to be built by contractors owned by minority American citizens. We're going to beat that 10 percent.

We also set a goal that by the end of last year, we were going to have at least \$100 million in Federal money deposited in banks owned by black citizens. We went over our goal. We're going to have even more this year.

In the past, the Government agencies haven't bought enough supplies, like filing cabinets, notebooks, furniture, from companies owned by minority citizens. But I pledged when I became President to double that in 1 year. We've already doubled it, and I pledge for next year to triple what we were doing in purchasing supplies and other things from companies owned by and employing black citizens and Spanish-speaking citizens.

I realize that we've still got a long way to go. We're partners, you and I, in trying to make America, the land, the country that we love, be fair to everybody, because too long in the past, because someone was poor, because someone was black, because someone was without influence, they weren't treated fairly by government—

and by private industry and business, as well.

We're going to try to change that, and I believe we've already made some good progress. We've tried to bring people into Washington to help me, who understand these special problems. Just 2 weeks ago, for instance, Bob Kemp began his duties as the new Executive Director of a Council for Minority Businesses, and he will help me see that we meet the goals that I've just described to you. Until he was called to Washington, Bob was president of the Economic Resources Corporation, which built the Watts Industrial Park. This park has brought in already more than 900 new jobs, and this year it will add several hundred more, 80 percent of them for local residents like you and like your kinfolk.

The industrial park, like the Labor Action Committee projects in this center, represent the kind of development that inner-city neighborhoods need. Local people have just gotten together and brought in big national companies and dozens of smaller firms to create a broad and expanding economic base and new jobs.

You included a day care center to serve workers in the community. Projects like these show what a community can do for itself, with the right kind of help from the government, to meet some of its needs for jobs, housing, good health care, day care centers, and senior citizen services.

It was this spirit of cooperation for the common good that moved Dr. Martin Luther King, Jr., and Rosa Parks, and all the other Americans, black and white, who did so much to free this Nation from the ancient evil of discrimination that had divided and weakened us from the beginning. Thank God those days are almost over.

When I was here nearly 200 years—nearly 2 years ago—[laughter]—it seems

like 200 years—[laughter]—when I was here nearly 2 years ago to dedicate the hospital to Martin Luther King's memory, I told you that we still have his dream. We still have your dream. We still have my dream.

I told you we must give our government back to the people. I spoke of a new day, of honest and compassionate and responsible government, of an America with a tax system that did not cheat the average citizen and give to the rich, of a time when there was a job for every man and woman who wanted to work, and a decent standard of living for those who were not able to work.

I've tried to fulfill those dreams through new jobs programs, through increased funding for education—more than ever before in the history of our country—and through child health programs.

Last year in this Nation, we had a net increase of 4.1 million jobs and, as you know, we cut the unemployment rate down 2 full percentage points in just 12 months. Well, we've made some progress. But we knew to begin with that the road would never be easy.

Sometimes our system moves slowly despite the best intentions. We need to attack the long-term problems that have built up over the years—energy, inflation, hospital costs going up too rapidly, welfare reform, and unemployment.

All these things touch most cruelly the poor and the elderly. I've sought to make this country the kind of place that you want it to be, a land of opportunity and justice and hope. I have felt your pain and I have shared your dreams and I take my strength as President of the United States from you.

Thank you very much.

NOTE: The President spoke at 1:55 p.m. at the Bradley Multi-Purpose Center, a part of the Nutrition Center. In his opening remarks, he referred to Ted Watkins, director and founder of the Watts committee, California As-

semblywoman Maxine Waters, County Supervisor Kenneth Hahn, and Lt. Gov. Mervyn M. Dymally.

During the motorcade to the Bradley Center, the President viewed and was briefed on new federally funded housing projects in the area.

## THE PRESIDENT'S NEWS CONFERENCE OF MAY 4, 1978

*Held in Portland, Oregon*

THE PRESIDENT. Good evening, everybody.

First of all, let me say that it's a great pleasure to be back here in Portland. I've come west on this trip to talk about the most pressing issues that we've faced—energy and environment, urban policy, agriculture, jobs, inflation, criminal justice, tax reform—and also to listen to what westerners have to say. Our national agenda is a full one. We have a lot to discuss and a lot to do.

### FEDERAL CIVIL SERVICE REFORM

One of the things at the very top of that list is making our Government work better. Reform of the civil service is the single most important step that we can take to ensure that the Government does what it's supposed to do—meet the needs of the American people with a minimum of waste and a maximum of efficiency.

We all want a government that is worthy of confidence and respect. That's what civil service reform is all about. Westerners have an extra stake in the efficiency of the civil service in the Federal Government, because the Federal Government plays a larger role in the life of this region than perhaps in any other. For example, the amount of public land in

the West gives you a special stake in Federal decisions in the way they are implemented.

Since so many critical decisions are made in Washington, and Washington is physically remote from the West, responsiveness of our Government depends upon the ability to learn your needs and to give them a full and a fair consideration. A government whose capital is a whole continent away has to be that much more alert and responsive and competent.

Two months ago, I submitted to the Congress a comprehensive program of reform for the civil service. My aim has been to clear a path for honest, hard-working, and industrious civil servants, and to give them the tools to get the job done.

I want to reward competence and dedication. I want to clear out the incompetence and the unresponsiveness that cheat the American taxpayer and give all governments a bad name. And I want to make government more effective by establishing clear assignments of responsibility and authority.

We need to put the work ethic back in public service, and we need to put merit back in the merit system.

We are trying to do that in a way that honors and protects every Federal employee's rights, while giving managers in the Federal Government the authority that they need to do their job.

It's virtually impossible now to discipline those Federal employees who fail to perform. This is an issue of efficiency and good management, but it goes beyond that. It's also an issue of the performance and the vigor, the very life of our democratic system.

I think the American people in the West and all across the country are going to be watching how the Congress handles this very difficult but very im-

portant assignment to reform the bureaucracy of our Government, the keystone of which is to make the civil service work better.

Mr. Cadera.

## QUESTIONS

### TIMBER PRODUCTION

Q. Mr. President, Jim Cadera, the Oregonian. Soon you will receive recommendations from your staff on implementation of your proposal to increase lumber supplies by cutting more public and private timber. Will you allow a variance from the policy of even-flow in national forest timber harvesting if it is recommended? And I have a followup.

THE PRESIDENT. Well, what I am interested in, first of all, is to sustain the rate of harvest for our national forests on a constant basis in the years ahead. I would not want to have a crash program to harvest too much timber at this time. We now waste probably 6 billion board-feet of timber every year. So, we want to improve the efficiency of harvesting the public lands timber that we have now. We also want to make sure that after the logs are harvested, that the output of them is increased in efficiency, and we want to assess whether or not we need to improve or increase the harvesting on private and State lands.

But no matter what the recommendations are to me, I would increase production only to the extent that we could do this and have a constant future of sustained production in our national forests.

### FOREST SERVICE PERSONNEL

Q. Will you order the Office of Management and Budget to increase Forest Service job ceilings to allow intensive management and dramatically increase timber harvesting?

THE PRESIDENT. Well, that's one of the things that we'll be addressing within the next few weeks. We have, in the past, been putting out for sale 11, 12 billion board-feet of lumber per year. And if there is a decision made to increase this harvest rate and to sustain our permanent harvest capability, then it might call for additional forest personnel. But I think, in any instance, what personnel we have working in our national forest needs to do a better job to enhance production of the forests that we have. There are about, I think, 300,000 acres of national forests in Oregon, Governor Straub told me, which was over-harvested in the past, which is now relatively nonproductive. This kind of over-harvesting in past years needs to be corrected. So, to improve the efficiency of production of the acres we have is a very important element, and it may take more personnel. If so, I would not hesitate to put them to work.

#### PRESIDENT'S INCOME TAXES

Q. Mr. President, have you resolved the IRS audit of your 1975 income taxes, and did you have to pay income taxes in 1977 and, if so, how much?

THE PRESIDENT. Yes, I had to pay income tax in 1977. I don't remember the exact figure, but it was a substantial amount. The 1975 audit, so far as I know, has not yet been completed. The last time I heard about it, the prospect was that it would be accurate within a couple hundred dollars.

#### NUCLEAR WASTE DISPOSAL

Q. Mr. President, Boyd Levet, KGW, Portland. Federal officials tell us that there will be no permanent nuclear waste disposal program until the middle 1980's. Nuclear plants across the Nation will have filled their temporary storage facilities by then. What do you propose to do in the interim, and would you impose a storage

site on a State that decided that it did not want to have a storage site?

THE PRESIDENT. We've had nuclear power for peaceful purposes now for more than 30 years. And I think you know that in addition to that, we've had the production of atomic materials for weapons even earlier. There never has yet been a workable Federal policy for disposing of nuclear wastes on a permanent basis in Richland, Washington, for instance, where early supplies were produced.

I visited there often while I was in the Navy, and the underground storage there has sprung some leaks in recent years that have been detected.

We are now looking into the prospect of storing nuclear wastes in underground caverns which are, perhaps, salt-dome-type enclosures in some parts of the central Southwest.

We have also many commercial producers of atomic power who store their own spent nuclear fuel rods in various kinds of enclosures, both on the surface of the ground, in water tanks, and also buried underneath the surface of the ground.

By the end of this year, Dr. James Schlesinger will present to me a comprehensive proposal for a permanent waste disposal plan.

And to answer the last part of your question, I would not try to store nuclear wastes on any private lands in a State where opposition existed. There may be some very large military areas owned by the Federal Government where storage would be proper, and where there may be some opposition in a State. But we are trying to work that out now. One of the places we are looking at, for instance, is in New Mexico, and the process is including close consultations with local and State officials. It's a difficult problem that has not been resolved anywhere in the world yet.

NUCLEAR POWERPLANT SITING

Q. Mr. President, I'm Pat Wilkins from KATU, here in Portland. I would also like to ask a question about nuclear power, but it goes beyond the storage of nuclear waste.

I'm told by antinuclear groups here that their national goal is to shut down all nuclear plants. The tactic so far has been the same tactic that was used to shut down the Vietnam war—civil disobedience. Now, so far as our Trojan nuclear plant is concerned, that has so far resulted in about 200 arrests, and the consequent legal costs threaten to break the back of the tiny county trying the cases against them.

Now, more than that, the issue of nuclear power seems to be enlarging into an issue that could be seriously divisive for the people of the country as a whole. What I would like to know is, is this in your thinking, and do you have a plan to cope with such possibility?

THE PRESIDENT. Well, our national policy is to permit planning, siting, and construction of nuclear powerplants. Obviously, this is a decision to be made by local and State officials. I think when I ran for President in 1976, there were referenda on the ballots in 22 States of varying forms to restrict the production of nuclear power in those States. In almost every instance, those referenda were voted down by the people who were residents of that area.

We have, I think, some very good existing regulations which protect the public from the siting of nuclear powerplants in places that are dangerous. And I believe that the best solution to this problem is for people to abide by the law and for the local or State governments and people, through referenda, to decide whether they want nuclear powerplants there.

Obviously, the State legislatures could pass a law prohibiting it. When I was Governor of Georgia, I did approve the construction of a nuclear powerplant in Georgia. It was located in a place that was acceptable to the environmentalists, of which I considered myself to be one. So, I think the best way to handle it is for people to abide by the law, let local and State officials work out the location of powerplants, and if people object to their being constructed at all, through the legislative process or through referenda, to prohibit their construction in a State.

PRESIDENT'S CAMPAIGNING FOR  
DEMOCRATS

Q. Mr. President, concerning your trip out here to the Western States and the upcoming congressional campaign, some Democrats have been quoted as saying you may prove more a liability than an asset in the upcoming campaign. Assuming you disagree with that, sir, how do you respond, and how active will you be in the congressional campaign?

THE PRESIDENT. Well, if I had heard that from any Democrat, which I haven't, I would certainly not require them to attend the political rallies and the events in which I participate. I have no control over Members of the Congress. But I've never heard one say that. As a matter of fact, hardly a day goes by that some Members of the Congress—Governors don't request that I go with them to campaign in their States. I've been in two States so far already on the trip; one in Colorado, where there was a very strong and constructive relationship between me and the congressional delegations, some of whom were running for reelection, the Governors involved, and I think there's a very warm reception for me also.

So, I feel very good about the trip; don't think I'm a political handicap for Democrats who are running for office. If any

of them think so, then their proximity to me is a voluntary matter.

#### NATIONAL WATER POLICY

**Q.** Connie Thompson with KOMO Television in Seattle, Washington. With growing pressure on your administration not to drastically reform the Nation's water policy, and also in light of the critical water supply picture, what, or how much of a reform do you plan to make in the Nation's water policy? What would be the reasons for any changes in your earlier plan for reform in that policy?

**THE PRESIDENT.** Long before I became President, there was a growing series of conflicts in this country concerning the use of water—conflicts between native Americans and white Americans; conflicts between environmentalists and those who desire increased power production from damming up free-flowing streams; conflicts between agricultural users, primarily for irrigation, and the producers of minerals and, particularly, fuel, like coal—and many of these longstanding disputes had begun to reach a crisis stage, resulting in interminable lawsuits, divisiveness, arguments, debates. And also, there had never been created in our country a comprehensive water policy that was evolved through close consultation among those conflicting groups.

We had never, either, had a way for Governors, mayors, Members of Congress, the President, the Cabinet, to consult with one another, to say, this is what we hope to do in the future with the water supplies that we have. And we've never had a way to set priorities on the expenditure of Federal and other funds.

Quite often we have approved, in the Congress, dams and other water projects that had a very low benefit-cost ratio. Sometimes they cost much more than the total benefits ever to be derived from a water project, because a Member of Con-

gress had enough seniority or influence or the patience to wait for his or her project to get to the top of the list and be financed with public funds. There's a limited amount of money that can be spent for these very expensive water projects. And I want to be sure that when we do approve a project—and there will be many approved, I'm sure, in the future under my administration and others—that the most needed projects are the ones that get funded first, and that we don't continue to waste money on projects that are not needed and that are wasteful and, sometimes, even dangerous.

So, I think the evolution of the water policy is a very constructive thing. It's long overdue. We will have the water policy options presented to me when I get back to Washington. This next week my own staff and Secretary Andrus will be meeting with the staff, Members of Congress, and also the Governors, and the following week I will meet with the Western Governors. And then I will make a decision on what the water policy of our country should be. Many of those decisions will have to later be considered by Congress.

But I think the whole process is a very constructive one, long overdue, badly needed, to be sure we do harness water and use water to the best advantage in the future, protecting the interests of the people who are involved.

#### MIDDLE EAST ARMS SALES

**Q.** Are you willing to compromise on the number of warplanes you propose to sell to Egypt, Saudi Arabia, and Israel in order to achieve congressional approval of those sales? And the second part of my question is, do you see the same linkage between Saudi Arabian support of the American dollar and oil prices that Sheik Yamani did last week when he looked at the sale?



THE PRESIDENT. I think Sheik Yamani has recently denied saying what was reported from him about a close interconnection between continued involvement with the American dollar and friendship between Saudi Arabia and the United States and the sale of warplanes to Saudi Arabia. I think he's denied that.

I think the proposals that we have made to Congress—to Egypt, Saudi Arabia, and Israel for warplanes—ought not to be changed at all, and I hope and expect that the Congress will approve this proposal as we submitted it.

Obviously, there will be a lot of hard work to be done in the Congress. We'll be presenting testimony to the House committee on the 8th and 9th of May—and we've also testified yesterday for 6 or 7 hours in the Senate committee. I think we will win this proposal because it's right, it's good for our country, very badly needed.

One of the most crucial elements of a permanent maintenance of peace in the Middle East and the security of Israel is for us to have a relationship with the moderate Arab nations, like Egypt and Saudi Arabia, where they depend upon us to keep our word and where there is a clear recognition of the friendship and mutual trust between our countries.

We have provided these planes for Saudi Arabia, not to attack Israel; they are a defensive type of airplanes. And the Saudis have ordered configuration or appurtenances on the planes, fittings on the planes that are defensive in nature. So, they are designed and needed to defend Saudi Arabia. I see no reason to change any of those proposals.

#### INFLATION

Q. Mr. President, Ted Natt of the Daily News in Longview, Washington. Today there was more bad news about the econ-

omy. The wholesale price index went up a larger than usual amount. Do you have a point in your mind beyond which you'll take stronger action on inflation than you've taken thus far and, if so, what is it, where is that point?

THE PRESIDENT. I don't intend to impose wage and price controls. We are consulting now with labor and business leaders to get them to reduce their rate of increase of both wages and prices below what they did the last 2 years. We call that deceleration of inflation. And I'm going to be very strict in vetoing any proposals that the Congress makes that would increase the deficit that we already face for next year's fiscal budget, 1979.

My own admonitions to the American people—I spoke to the lawyers today and asked them to hold down their rate of fee increases. They have increased professional fees, maybe news people included, in the last 5 years, even more than oil prices have gone up. And so, I think that this is going to be a matter for all Americans to address. Everyone wants other people to be the ones to take action to hold down inflation, to hold down wages, to hold down prices, but it is going to have to be a common effort. And I'll do everything I can within the power of the Presidency to hold down the inflation rate.

A year ago, my primary consideration was putting American people back to work. And the Congress rallied with me, the American people, the private business sector rallied with me, and we've had remarkable success in the last 15 months in bringing the unemployment rate down.

We added more than 4 million jobs last year. I think the unemployment rate, in Oregon went down 3 full percentage points. And now we're going to address the same degree of determination to holding down the inflation rate without abandoning our effort to further reduce the unemployment rate.

Q. Mr. President, to follow that up, if I may: General Motors' response to your deceleration program was to announce an average increase of about \$100 on each, or most, new model lines. A.T.&T.'s response, with estimated profits this year of \$5 to \$6 billion, was a statement by Chairman deButts that A.T.&T. probably would need a rate increase this year. And the response of several unions has been that they do, indeed, consider the coal settlement as a pattern for wage increases next year of 10, 12, or 13 percent.

In the light of that, what possible assurance can you give the American people that there is going to be any progress in fighting inflation?

THE PRESIDENT. Well, I can't guarantee success. The only thing I can do is the best effort in my power. I can't mandate action by those people involved. That's not compatible with what I've heard from Tom Murphy, who is head of General Motors, or Mr. deButts, who's head of A.T.&T. My hope is still that from the automobile manufacturers—Ford, General Motors, and others—that they will hold their price increases below the 6 percent average for the last 2 years.

And we have two major labor settlements this year, as you know—railroads and Post Office employees.

We're going to do the best we can—I, Bob Strauss, and others—to hold down those wage settlements below the average that they got for the last 2 years on a nationwide wage-rate basis. And I believe we have a good chance to succeed. But it's going to take the concerted effort of all Americans to hold down the inflation rate. It's not something that government can do by itself. It's not something that one labor union can do by itself, nor one major corporation.

There's a common goal that we share not only with Americans but also with other countries. But it's a top priority

in my economic package this year to hold down the inflation rate, and I hope that we'll have equal success as we did with unemployment last year.

#### INDIAN LAND CLAIMS

Q. Mr. President, I'm Randy Lewis, KEDO Radio in Longview, Washington. You mentioned native Americans a while ago. And that brings me to a question that's quite serious in the State of Washington, where there is growing resentment toward some land claims that native Americans are making, claiming treaty rights. There's also resentment that the Federal Government is taking an active role in supporting these land claims against the property rights of non-Indians. Are you aware of this feeling, and do you think there is a reassessment of this Federal role needed?

THE PRESIDENT. Yes, I'm aware of the feeling, of course. As you know, the disputes between native Indians and other Americans have been growing in recent years, primarily through the Federal courts. The ruling in this area concerning harvesting of fish between Indians and other Americans has been one of great importance to me and, I know, of high interest to all the people in this area.

We've had our Secretaries of Interior and Commerce working with the Department of Justice, trying to evolve a compromise between Indians and other Americans to try to take this case out of court.

We had a similar case that came to a head in Maine. I appointed Judge William Gunter to work out a compromise between the Indians and other residents in that area, and, hopefully, we can reach a solution there.

The Federal Government is charged with the responsibility of representing the Indian claims. Secretary Cecil Andrus,

Department of Interior, is in the audience here.

And this creates an additional problem for us, but what we want is fairness and equity between native Americans and others. The case is not one that I can resolve from the White House. We can use our good offices as an intermediary, sometimes add negotiating services, and the members of my Cabinet can work with all elements involved. But even then, we have to get permission from the judges in the Federal courts to intercede, even to that degree.

Congress has acted in several instances with legislation which I have signed into law. But it's a longstanding problem. It's one that I hope we can resolve in the next few years. There are high disputes on both sides, and great quantities of money involved. It's a serious problem, one that we did not create, but it's been growing in importance for decades.

That's about the best answer I can give you. I don't know an easy answer to it.

#### ANGOLA

Q. What is your view, Mr. President, of the South African military action against Angola taken today, and what can the United States do in this case?

THE PRESIDENT. Well, our Congress and my predecessor in the White House finally reached an agreement that we would not intercede in Angola, a decision with which I agree. We are not about to send American troops to Angola to participate in a war in that western African country.

We want to see peace maintained. There have been so-called UNITA forces under Savimbe, operating in the south-eastern part of Angola ever since the last war a couple of years ago. President Neto, who heads up the government in Angola, has been quite concerned about this.

There are about 20,000 Cubans, also, in Angola supporting the Neto government.

Savimbe has denied to some of the European leaders with whom I've talked any supply of weapons or supply or other armaments from South Africa. I think he does get supplies from some other sources, not from us. But we have no intention to intercede in any war in Angola.

#### PRESIDENT'S POPULARITY IN POLLS

Q. Mr. President, Don Porter, KGW TV News, here in Portland. Sir, before you arrived much was written and said and made of the fact you are perceived by critics to have been unresponsive to problems of the West. Today, there's a new national poll that shows only 29 percent of those questioned think you are doing a good or excellent job as President. Presumably, you don't agree with these perceptions. My question is, do you think these perceptions hamper you in what you are trying to accomplish, and if so, do you have plans to try to counter them?

THE PRESIDENT. Well, one of the ways to counter them is to come to places where my policies might be in dispute or misunderstood and try to clarify the issues that are very difficult to solve and which involve not only me but involve the Congress, the Governors, mayors, and private citizens of our Nation.

We have addressed some issues that are very difficult to resolve. The unemployment rate was very high, the inflation rate was very high, the growth in our country was quite low and disturbing. We didn't have a strong enough relationship with the countries of Africa and Europe. The Middle East dispute has been going on for 30 years. We needed very badly and still need to have a SALT agreement with the Soviet Union. And we had been negotiating on the Panama Canal treaties for 14 years before I became President.

And we've tried to address these issues as strongly and as openly and as aggressively as is humanly capable to do. In addition to that, we've tried to bring some order out of chaos of some of the problems in the Federal Government—with welfare reform, the creation of a Department of Energy, to have a comprehensive energy policy for the first time, to put the civil service back in the proper working order, and all of these things cause some disturbance in the political structure of our country.

I feel very sure that almost all of the attempts that we have made are in the best interests of the American people. And I believe that as they are understood, that the present low rating in the polls will be improving. So, I am hopeful that my popularity in the polls will go up. I think any politician would feel the same, but I'm satisfied with the administration's progress so far. I've also found a very good reception on this trip to the West—better, I might say, than the last time I was out here.

Let me get Ann [Ann Compton, ABC News].

#### STRATEGIC ARMS LIMITATION

Q. Mr. President, this week you and some members of your administration have indicated there is not a new SALT compromise reached when Secretary Vance was in Moscow. Could you tell us what the United States has on the negotiating table in terms of SALT negotiations and whether the chances are better than remote that you and President Brezhnev would meet this summer?

THE PRESIDENT. We have not discussed any time for President Brezhnev to come here to the United States to meet with me. We extended him an invitation in the early days of my administration, because the last visit had been by President Ford to Vladivostok in the Soviet Union. I think the essence of it is that he

is likely to come over here when we see a SALT agreement imminent, so that he and I, perhaps, can resolve the last, very few remaining issues that the negotiators can't resolve themselves.

Our determination is that any SALT agreement would protect the ability of the United States to defend itself against any conceivable attack. We would also insist upon the maintenance of equivalent capability, destructive power, between the nuclear armaments of our country and the Soviet Union. And on top of that, any SALT agreement would have to provide for adequate proof, verifiability of the other nation carrying out the terms of the agreement.

This is a very complicated subject. We have made a lot of progress in the last year, and my hope is that we can reach an agreement this year. But there are still several issues that have not been resolved.

Q. Have you put number figures, can you put number figures on what the United States is proposing at this point?

THE PRESIDENT. No. I think the American proposal has been revealed 4 or 5 months ago with the number of MIRV's that can be kept, the number of land-based missiles that can be kept by each side, and the total number of missiles of all kinds that can be kept. That's our proposal, but we've not reached agreement on all those matters, because they are interrelated. Any yielding on our part involving one of those figures would have to result in an equivalent advantage to our country by the Soviets yielding on a comparable figure.

We have not reached any point yet for revealing the details of our recent discussions with the Soviet Union.

HELEN THOMAS [United Press International]. Thank you, Mr. President.

NOTE: President Carter's thirty-first news conference began at 7:30 p.m. in the Ballroom at the Portland Hilton Hotel. It was broadcast live on radio and television.

## Portland, Oregon

*Remarks at a Reception for Community Leaders. May 4, 1978*

*Governor Straub and Mayor Goldschmidt, Congressman Bob Duncan and Jim Weaver, distinguished ladies and gentlemen, and my friends from the great State of Oregon:*

I've enjoyed being in your State every time I've come. You've always received me with open arms and open hearts, and even when I was almost completely unknown and struggling almost by myself, looking for friends, you gave me a chance to cook hotcakes and to serve them, with Bob Straub, and we came within just a few votes of carrying Oregon, which will always be gratifying to me.

I was pleased to have a chance to conduct a regional press conference a few minutes ago. They always bring up the polls, and they always bring up the economy. One thing I've found is every time our poll rating goes down, the stock market goes up. *[Laughter]* So maybe I've found a way to solve the economic problems of our country.

This has been a very delightful trip. I was in Denver for an afternoon and the following morning. We made a major announcement on the enhancement of solar energy in our country. One of the major centers for the Nation will be there, as you know, in the Golden area, and we also know that Portland will be a major regional center, as well, for the development of solar power.

We've got a wonderful opportunity this year, in these early stages of my own administration, to work out some good policies that have long been neglected. Denver faces serious problems that you don't face. They have the highest air pollution rate in Denver of any city in our country; the most automobiles per capita. Is a matter of fact, their carbon monox-

ide rate is three times higher than the maximum Federal standards permit.

And we tried to launch, with 41 different Federal agencies, a concerted effort there to bring down this very serious problem of particulates and carbon monoxide, hydrocarbons, sulfur oxides, in that one beautiful city of our country. The essence of it is that the Federal Regional Council, my own staff in the White House, every Federal agency involved, the mayor of that city, Denver, the Governor, worked in concert with the congressional delegation to solve a serious problem.

We did the same thing last year in dealing with what was the crisis, as you remember, 16 months ago, 12 months ago, and that was the extremely high unemployment rate in our country. It was about 8 percent. We brought it down now to just a little above 6 percent. We added a net of 4.1 million jobs in the country, an unprecedented achievement. The Congress, I, many of you, worked in harmony.

These problems are difficult to solve. There are no easy answers. The Government can't do everything. And I think the beauty of the efforts that I've just described to you, those two examples, are that the private sector of our economy, just individual citizens, business, labor, with government at all levels, work together on a common problem.

You've got a wonderful city here, wonderful State. The beauty has never been in danger. And I know that you have natural resources and an intense interest in international affairs because of your foreign trade, one of the finest sea-ports in the world, and a lot to be thankful for in your great State. You've got some wonderful public officials to take care of your needs.

A little over a month ago, after 14 months of hard work, I announced a comprehensive urban policy for our Nation; one of the most difficult and intran-

sigent challenges that we could possibly face.

Neil Goldschmidt told me on the way that he had studied it in detail, and he thinks it's a remarkable achievement. It's not based on new, expensive programs as a cornerstone of the effort, but it's based on making the present programs work better and then adding only incrementally in additional expenditures to round out needs that previously have not been addressed.

It is a policy that calls for an effective working alliance at all levels of government, again with the private sector, including business, labor, and just ordinary citizens in their communities and neighborhoods.

Its purpose is to serve individual communities, not just the badly deteriorated and damaged cities that are almost beyond salvation, not just the major metropolitan urban centers, but even good, sound, solid communities like Portland. And Portland is a good example of what can be accomplished with this kind of cooperation that I've just described to you.

Under the good leadership of Mayor Goldschmidt and Governor Straub, the city and State governments, business and labor, the community groups, have been working with the Economic Development Administration, the EDA, to develop a far-reaching economic investment strategy for Portland.

I think this State probably had the greatest reduction percentage-wise in unemployment last year of any with which I am familiar, almost 3½ percent, a remarkable achievement, which shows not only good administration in Washington and also in Oregon—[laughter]—but it also shows that the people of Oregon want to work if they are given a chance and given an opportunity for a job.

This evening, I'm very pleased to be able to announce some specific and sub-

stantial Federal support for the joint efforts that I've just described. Through the Economic Development Administration, \$12 million will be provided during the next 18 months to strengthen Portland's economy and to create 6,000 more private jobs in your community.

This is a carefully evolved plan, initiated and, in effect, supervised by local and State officials, not (federal)<sup>1</sup> Government officials. The first phase will revitalize the northwest industrial district by improving road access and other facilities. EDA will provide about \$2½ million for this purpose, about two-thirds of the total cost. The second phase will improve the Swan Island Industrial Park, develop other—[applause]—somebody is from Swan Island—develop other industrial facilities, and establish a revolving loan fund for business expansion. It will start in the coming fiscal year and will include \$9.6 million in Federal funds.

Our urban policies and assistance are not just restricted to cities like your own. We recognize that preserving the special values of urban, suburban, and rural life depends on realizing how interdependent they are. There's no way for Portland to thrive unless other communities around you—up the river, down the river, up and down the coast—thrive along with it.

There's no way for the urban dwellers here to thrive, unless the forest timber producers and the farmers and the livestock producers also thrive. We recognize that preserving the special values of these component parts of our society are crucial to one another.

In this spirit, EDA has been working with towns and communities in Oregon on development projects involving fishing industry development, tourism and recreation, and light industrial park de-

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<sup>1</sup> Printed in the transcript.

velopment in your smaller communities, all of which involve an overall EDA investment of about \$7 million.

You and the other people in Portland are demonstrating what I strongly believe, that a cooperative partnership among Federal, State, and local governments and private business is the best way to generate the economic growth and the job opportunities that our communities need.

I'm proud of what we've done so far. It demonstrates that government can work. It demonstrates the strength of the American economy, something that's often forgotten. And I think it's good for all of us to be boosters not only of our own local communities but of our Nation.

I think a large part of some of our economic problems are caused by people always talking about the transient problems that we experience and not remembering that our Nation is the strongest, most dynamic, the most highly blessed by God of any nation on Earth. We have an underlying strength that's unshakable. So, we can weather the transient problems that we've faced, if we continue to work together.

That's what I'm committed to do. And with your help, we'll continue to see Portland one of the finest places to live in all the world.

Thank you very much.

NOTE: The President spoke at 8:20 p.m. in the Pavilion Room at the Portland Hilton Hotel.

## Portland, Oregon

*Informal Exchange With Reporters Upon Departure From the Olson Residence.  
May 5, 1978*

Q. Good morning, Mr. President.

Q. Is there anything new in the world going on, Mr. President, that we should know about?

THE PRESIDENT. I don't know of anything. I tried to read the news this morning. [Laughter]

### SOUTH AFRICAN RAID IN ANGOLA

Q. What do you think of the South African invasion now?

Q. Did you ever find out about that South African thing?

THE PRESIDENT. Yes. I got a report last night from Dr. Brzezinski in one of his briefings and Secretary Vance. I think you all know that the South Africans claim that it was just a retaliatory raid against the SWAPO forces who had invaded Namibia with small strikes, and they've claimed to have withdrawn and have not left any South African forces in Angola.

So we hope it's just a transient strike in retaliation, and we hope it's all over. We've expressed our concern to the South African Government and asked them for an explanation.

### PRESIDENT'S TRIP TO WESTERN STATES

Q. How would you sum up your trip out here?

THE PRESIDENT. Well, I think it's been good. It has been a well-prepared trip.

I'll be meeting this morning with mayors and county officials from Idaho and Alaska, the State of Washington, Oregon, just to talk to them about how we can implement better some of the programs that we've got going on, particularly urban policy programs and some of the new housing programs we've put into effect, and to learn from them how well we are progressing on holding job opportunities open.

I think we've tried to form, through Jack Watson and the Cabinet members, a much closer relationship between us, in Washington, and the State and local officials, and in doing so, we hope that there

will be a lot more benefit from the money we have to spend.

Q. Do you think this trip has helped solve what some perceive as a difficulty you have in this section of the country?

THE PRESIDENT. Well, somewhat. I think whenever I go out, it helps me to learn more about them and special sensitivities of areas in which I have never lived. And I think the preparation for the trip and the personal knowledge that I've been there and I've listened is of help, also.

We've got some problems that I think can be resolved fairly soon. Just the evolution of a water policy for the first time in history causes some people concern, but I think when the policy is evolved, when it's understood, we'll have much less dispute and dissidence in the future than we've had in the past.

The same thing applies to the d-2 lands in Alaska, which is the most important environmental decision that will be made in our generation.

The same thing applies to the limit on federally subsidized irrigated lands that we've had to face. This originated in the courts; the same thing with the Indian claims cases that have come up in the court—now we have to address them administratively. But I think after this first couple of years of trying to tackle problems that have been ignored for too long, there will be an understanding in the West that we really understand their problems and we're trying to deal with them, with their participation.

#### LEGAL AND MEDICAL PROFESSIONS

Q. You have got some lawyers upset. Mr. Spann of Atlanta, the ABA president, said he's surprised at you, that it's the Federal Government that needs to move on improving the quality of jus-

tice, not the legal profession in the first instance.

THE PRESIDENT. I think I expressed myself both clearly and accurately yesterday. And there's no doubt in my mind that lawyers care genuinely about their own clients, but quite often when they organize into a bar association, the bar association is primarily concerned about the welfare of lawyers and not the welfare of clients. And the same thing applies to other people like medical doctors.

I think doctors care very deeply about their patients, but when they organize into the American Medical Association, their responsibility is to the welfare of doctors. And quite often, those lobbying groups are the only ones that are heard in the State capitals and in the Capital of our country. So, I think it's very important that a President or a Governor express their genuine concern about some of the trends in the legal profession. I did it when I was Governor. My opinions have not changed.

And a major responsibility is now falling on lawyers to try to redress not only some of those differences that exist between themselves and their clients, obvious delay tactics in court, a misapplication of legal services away from poor people toward the rich, and an almost adamant and constant opposition to any sort of reforms that would help clients and help the criminal justice system in our country.

I think there's a trend in the right direction now. There's more responsiveness in organized groups, but it's primarily confined so far to the local bar associations like the one in Los Angeles County. And I hope this trend will continue, and I hope my speech yesterday will point out to them some clear needs in the legal profession.

Q. But you're as concerned about doctors as you are about attorneys?



THE PRESIDENT. Yes, I am. I think when I was Governor, my concern about the doctors was even more vivid than my concern about lawyers. But yesterday I addressed the attention of the Nation, I hope, to the problems in the legal profession, and I'm sure I'll find an occasion in the future to address the problems in medicine also.

#### MIDDLE EAST ARMS SALES

Q. You know there are a lot of reports in Washington that you would be willing to add more planes to Israel, that is, past 1983, increase the actual number of planes committed to Israel to sweeten the pot on that arms package. Is that correct?

THE PRESIDENT. Well, you know, what happens after 1983, into 1984 and '85, is not addressed in this proposal. I don't intend to change any part of the package of proposals that we put forward. We have emphasized the fact that the Congress can address them individually, and I think the Congress will be responsible. But I don't intend to change the proposals that we put forward.

Q. But, as you say, this package doesn't address things past 1983. You wouldn't be averse, would you, to some commitment beyond then that is not part of this package?

THE PRESIDENT. I think any modification in our proposal to the Congress that we have sent up would be a mistake.

#### GOVERNOR JERRY BROWN

Q. We had a poll out in Los Angeles yesterday that said about 45 percent of the people think Governor Brown is running for President. Did you get any idea whether he is going to or not?

THE PRESIDENT. No. Jerry Brown and I have a very good, friendly relationship. We've never had any disputes between us. We've consulted very closely on all

major issues that affect California or, sometimes, the Nation as a whole.

When I ran for President, he was very helpful, very supportive. I think he's doing an excellent job as Governor. He's one of the few Governors, perhaps the only one so far as I can remember, who, when he's been to Washington, has spent the night with us in the White House. And I enjoy very much being with him, and there's never been any sort of difference between us. I think, as he said on many occasions, his primary concern now is to be elected to another term as Governor, and what happens later on in decisions made by either me or him is still highly conjectural. And I'm sure that he and I both are committed to keeping it that way for a while.

Q. So you still have not definitely decided to run for reelection?

THE PRESIDENT. No, I have not.

NOTE: The exchange began at 7:50 a.m. outside the residence of Paul and Janet Olson, where the President had spent the night.

## Spokane, Washington

*Remarks at Dedication Ceremonies for Riverfront Park. May 5, 1978*

*Senator Magnuson, Governor Ray, Governor Evans of Idaho, who is with us today, my friend Congressman Tom Foley, Congressman Dicks, Mayor Bair, Secretary Andrus and Secretary Bergland, many friends from Spokane:*

During the last few days, I've been pleased to leave the city of Washington, D.C., and to visit the western part of our great Nation. I've been enjoying the beauty of it. I've been discussing with our citizens of all kinds, questions of great importance to ourselves, our families, our communities, our Nation, indeed, the entire world. I've been talking about the

desire for peace, based on a strong America and a strong national defense. I've been talking about the beauty of our country, clean air, clean water, clean and productive land. I've been talking about our Nation's forests, our Nation's water resources, our Nation's fields that produce the food and fiber for us and the rest of the world.

I've been listening to suggestions and criticisms and talking with those who are experts on these subjects and who have a genuine desire to resolve the longstanding problems and questions which we all face—the questions of energy that have too long been ignored.

We now see these problems reaching a stage where they must be resolved. There are no easy answers. There are no quick solutions, because we have a strong, dynamic, growing, aggressive, competitive nation.

As President, I realize that I don't know all the answers, that Washington is not the source of all solutions, that there must be a genuine partnership between me, the Governors, the mayors, county officials, the Congress, and private citizens of all kinds, to make common sacrifices, to make common commitments, to realize the potential beauty and the greatness of our Nation.

It's good for me to come back to Spokane today to this same site where I was thrilled in 1974, when one of the days was called Georgia Day and I and my wife and my daughter, Amy, could look at the beauty of this river, stand in awe at the waterfall, see what a city of not great population could do to inspire the world, at the self-sacrifice and accomplishment that was exhibited here in Expo '74.

I wondered then about the background of Spokane and the future of this lovely site, once the excitement of Expo '74 was past. I flew in on a plane traveling tourist class, which was my custom then

because of necessity, and I saw the beauty of your land. And today when I came on Air Force One, I had the same opportunity.

My friend Tom Foley thinks the Inland Empire is an American version of the Garden of Eden. And as I looked over the rich agricultural land and the beautiful mountains and hills and streams as I flew in this morning, I can see what he means.

You're lucky to be represented in Congress by a man like Tom Foley. In the last year and a half, I've learned why he is one of the most respected men in the Nation's Capital. In many areas, but especially farm agricultural policy—on which he does not always agree with me, I have to admit—he stands for responsible solutions that protect the interests of farmers and of all America. He understands, from a practical perspective, the special problems of farmers in this area, and he always represents your viewpoints very well.

This park is an achievement that would make any city proud, but you should also be especially proud of your Senator, Warren Magnuson, for the essential role he played in bringing this park into being.

As all of you know, it was Senator Magnuson who explained to the Federal Government the importance of this facility to your beautiful city and who helped to obtain Federal grants to aid in its construction.

As chairman of the Appropriations Committee, and soon to be President pro tempore of the Senate, Maggie is in an excellent position to continue his fine work for Spokane and the rest of Washington State—indeed, the entire Nation. He's one of the greatest Senators that I have ever known, and I respect and love him very much, as do all of you.

He expressed a philosophy that has always been my own: that the best government is a government closest to the peo-

ple, that people ought to control their government, not let government control them, and that public officials should never forget who put us in office, and that we don't know all the answers at the State capital or the National Capital. The answers must be derived, even to most complicated questions involving foreign policy and national defense, from people like you all over our great Nation.

Today, we come to think about a particular aspect of American life. Since the days when I was a State legislator and then a Governor in Georgia, I've understood the special need to promote environmental and historical perspective and preservation. This is a place of lasting value that is also an economic boom to your whole entire region and State. I'm glad that the Federal Government has been able to join—not in a leadership role, but a supporting role—State government, the city of Spokane, and business interests like your railroads and the Land Resources Corporation, in creating something that brings enjoyment and prosperity to so many people.

Riverfront Park also shows very clearly what can be accomplished in urban redevelopment. You've transformed an area that was declining, that was far short of its great potential, into one of the Nation's most innovative and refreshing urban settings. I have proposed, as part of my own administration's new urban policy, a \$150 million urban park and recreation program which can make possible, under Cecil Andrus' leadership, other parks like your own beautiful one here. And it also shows in a symbolic way the continuing relationship between energy and the environment.

Most of the Federal share that helped build this park came from our lease revenues from oil and gas production on the Outer Continental Shelf. My administration is committed to the belief that we

can meet our Nation's energy needs and continue to protect and to enhance our irreplaceable natural environment. As those of you who have come from Coeur d'Alene know firsthand, we have in Cecil Andrus a Secretary of Interior from Idaho who's deeply and personally committed to that goal.

In the 15 months since I became President, my administration and the Congress have begun to tackle the most difficult problems facing our country. I've come here to listen to the people of this region and to ask your help for the programs and policies we need.

Later on today, I'll be facing for an extended period of time many of you and your fellow citizens in a direct interchange of questions and ideas, where there is no constraint on what you want to ask me or to suggest to me in how I can be a better President.

To solve the problems of our decade, we must recapture what is best in our national spirit. We must be willing to put aside regional differences. We must be willing to put aside, also, our special interests, our selfish grasping for advantage, and contribute to the general good. We must be willing to make sacrifices so that others will follow our lead. Because I am confident that our Nation is ready for that kind of challenge, and because we have no alternative except to face difficult problems, I've asked the Congress and the people to work with me in areas of greatest challenge.

On energy, we must act to conserve and to produce more, to import less, and develop alternative sources. On inflation, we must work together in a spirit of cooperation and restraint to slow the rising costs that threaten the economic security and the well-being of every American family. It's here that our greatest challenge may come. We cannot

control inflation without common sacrifice and common commitment by us all.

On civil service, I need your support to help pass my reforms and to bring more efficiency and more incentive into the bloated Federal bureaucracy, which must be improved.

Here in the West, as well as elsewhere, we must improve our ability to protect the national environment while maintaining economic growth and development. This is a great challenge, but I have every confidence that we can meet it and succeed. We will never see the quality of life, the beauty of our environment deteriorate as long as I'm serving you as President in the White House.

None of this is going to be easy, and I don't pretend that any of us has all the answers. Many people say that as President of the United States, I have the most difficult job in all the world. But I have confidence that the people understand that there are no easy answers. I believe that people understand that difficult questions, too long ignored, must now be addressed.

I think people understand that there are conflicts of interest, even among the most well-meaning and dedicated and patriotic American citizens. This is part of our democratic society. But I feel an assurance, as President, that I can do a good job, to the extent that I maintain my close relationship with you and enhance the partnership that must exist in our great Nation.

I know that our reaction to these challenges will be the measure by which we will be judged by future generations.

The Congress and my administration can only do so much. We can never succeed without broad public support. We need the confidence and the understanding and the commitment of the American people. We need it in Washington, D.C.,

and we need it in Washington State, and I know that we can find it.

This partnership between you and me will help to realize the true greatness of our Nation.

Thank you very much.

NOTE: The President spoke at 12:16 p.m.

## Spokane, Washington

*Remarks and a Question-and-Answer Session at a Town Meeting. May 5, 1978*

THE PRESIDENT. No one could be in a better political position than to be preceded and introduced by men like Tom Foley and Senator Warren Magnuson. I know of no one in the Congress than these two men who are more respected, more dedicated to serving their own people well, but who have also reached, because of their experience and knowledge, sound judgment and commitment, a position of national and even international renown and leadership.

I'm also glad to be here with you, the people who had enough good judgment to elect men like this to come to Washington, D.C.

I ran for President as an outsider, as an independent person, a Democrat, but one who didn't owe special interest groups anything. And when I began my own campaign, as you certainly remember, at least in retrospect, no one knew who I was, no one cared who I was. When I came here to Spokane the first time, I was a Governor of a great State, but my prospects for being President were considered to be almost nonexistent. I cast my lot with you and people like you all over the country. And I promised that I would stay in close touch with you as I made decisions about very difficult and challenging questions.

I didn't claim nor do I now claim that I know all the answers. I've had press conferences at least twice a month to let the national news media cross-examine me in an unconstrained, unrehearsed way on the most difficult issues that any human being could possibly face, domestic and international issues involving the very life of our country and our people.

And I've had experiences like this where citizens cross-examine me without so much time constraint for a full hour and a half in places like New Hampshire and Mississippi, Massachusetts, to listen to your voice, to the tone of your voice, to the thrust of your question, and then to try to respond.

Again, I don't claim to know all the answers, but I'm not afraid to face them. And I look forward to the time when people will begin to see much more clearly that we are now addressing some of the most difficult questions that our Nation has ever faced, at least in peacetime.

Almost 200 years ago, Congress voted to place our National Capital at what was then almost the exact center of the United States. But even then, Washington, D.C., seemed to be a very distant, a remote place to some parts of our Nation, like Georgia, because it took several days, many days, to go from Georgia to see the Congress or even to send a letter to Washington, D.C., and get a reply back. And I think that you all know, without my having to explain it to you, that Washington, D.C., is no longer the center of our country geographically. It's way over on one side of the Nation—some people say on the wrong side. But the sheer size of our country today would obviously amaze our Founding Fathers.

Technology, the innovation of American people, has shrunk those distances. We can now communicate directly by telephone or other means in a matter of

seconds, and we can visit with one another personally after a delay of only a few hours. So the distances are less in those respects. But still Washington, D.C., is 2,500 miles from Washington State. And it can still seem distant and remote.

One of the reasons I ran for President was because I thought I could reduce that sense of distance or alienation or remoteness. This trip is part of that effort.

I've come here to the great Northwest to talk about the most pressing issues that all of us face together, and to listen to what you have to say about those issues. We have a lot to do and a lot to discuss.

#### ADMINISTRATION POLICIES

One of the issues that is ever present on my mind is the question of inflation, which hurts every family in this country. It's perhaps the toughest domestic problem we face, and there are no easy answers to it. It's going to take a lot of time and a lot of ingenuity to bring inflation under control, and it is going to take some sacrifice, some sacrifice from all of us.

I'm going to take the leadership as President through a series of specific actions, including holding down pay increases for Federal employees—for those at the executive management level, zero increase this year. I'm going to cut down wasteful spending and make sure that we don't have any greater deficit than the one we already face.

I'm going to work for legislation to control hospital costs, which have been going up for all our people at twice the rate of other inflation, increased 15 percent last year. And I'm going to reduce unnecessary government regulations and intrusion into the lives of American people, sometimes very costly in inflation, like in the deregulation of the airline industry. But all of us need to work

together in a spirit that puts the national interest above our narrow, selfish concerns.

We have made great progress in our economy—without bragging on myself, because the credit goes to you and an enlightened Congress. Remember this time last year when the prime consideration, the prime concern was unemployment? Your unemployment a year ago in this State was 3½ percent higher than it is now, and on a nationwide basis, 2 percent greater than it is now.

We've made this progress by working together, government at all levels, private industry, individual citizens. It shows that American people, if they're given a chance to work, would rather have a job. And it's making our country more productive. We need to keep that momentum going, and I hope the Congress will agree with me—I'm sure you all agree—that we need to and must cut American income taxes by at least \$25 billion this year.

Another problem is making the Government work better. I'm a farmer and an engineer and a businessman, and it grieves me to see an unmanageable entity, even in government, that's supposed to take the ideals of the American people, the actions of Congress, and to carry out programs that help you, and to see a bureaucracy there that's almost completely unmanageable.

The American Government employees are good people. They're dedicated. Quite often they serve at a financial sacrifice. They've devoted their one life to trying to serve the public. But with a complicated and confused bureaucracy based around a civil service system that's outdated and outmoded, it's become impossible to reward good service, to give promotions and salary increases to those who really do an outstanding job. And it's almost impossible to discharge or to demote someone who occupies a position in the Fed-

eral Government and refuses to do their jobs. So, we have proposed to the Congress this year basic civil service reform. It must be passed. And I hope that all of you will help me to encourage the Congress to put this reform into effect.

Another very serious problem is that of energy. For all these years in our country we've not had an understandable energy policy. We've been extremely wasteful. We've grown now to import so much oil that it's hurting every person in our country. Last year we imported about half the oil we used, \$45 billion worth of American money going overseas to pay for oil, when much of that is unnecessary. But still now more than a year after I presented a comprehensive energy policy to the country, the Congress still has not acted.

Tom Foley, Senator Magnuson, your own Scoop Jackson have been in the forefront of trying to get the Congress to act. But we still don't have a good policy on saving the energy that we can save, on producing more in our own country, on cutting down imports which rob us all, and enhancing other kinds of energy that ought to be produced in much greater quantities, like solar energy. These changes must be made.

Well, in the last 15 months, the short time, or long time that I've been in office, we've tried to address these and many other difficult questions—forest management, water policy, caring for the environment, and at the same time keeping employment and growth sustained.

There are no easy answers to these domestic issues. We have tried to keep a strong American military capability; at the same time, to reach our hand out to guarantee peace for ourselves, for our children, for our grandchildren—a very difficult question to resolve. There are no easy answers there, either.

I know that in the past we've made some very serious mistakes. The Vietnam war, Watergate, the CIA revelations have kind of torn the fabric of our society, because the American people were not involved in making those decisions. We were faced with mistakes for the first time after they were revealed to us. And we create, sometimes, in the minds of American people, an image that we don't know exactly what we want to do.

I don't claim to know everything about what we want to do. But we try to bring the debate out into the open and let various voices be heard, so that when I do make a final decision about SALT talks or nonproliferation, or the use of solar power, or the control of the waste of energy, or farm agriculture policy, or urban policy, I will have listened to hundreds, even thousands of voices of Americans who know better answers than I do about a specific subject and who care deeply about our country.

So, to me it's important that we do have some confusion, that we do have an open debate, that we do have disputes on occasion and even outright criticisms. I think that's good in a strong, democratic society. I don't fear it. I also don't fear addressing some very difficult questions that have been ignored too long and have now become crises in our Nation.

Well, now, in order to help me in that process, I'm glad to respond to your questions.

#### QUESTIONS

##### TAX REDUCTION AND REFORM

Q. Mr. President, my name is Corky Burns, and, Mr. President, in examining some current legislation, it seems apparent that you support measures that will strip the small businessman of some of the tax advantages in regard to insurance, welfare, and retirement plans. Since these small businessmen are the foundation of

our free enterprise system, and often have everything at risk, what justification is there for such an attack on them?

THE PRESIDENT. Mr. Burns, thank you.

The overall thrust of the tax reform and tax reduction package that I've proposed would give \$6 or \$7 billion in decreased taxes, net, to the business community of our country; and another 18 or so billion dollars in net decreases for the private citizens of our country, many of whom are involved as employees or employers in small business.

So, the net result of all these changes would be a substantial reduction in income taxes for almost every element of our society. There are some changes that ought to be made to eliminate loopholes and special privileges that have been enjoyed in the past. Those have been carved out by people and by organizations that have a very powerful and very effective lobby existent in the past and now on Capitol Hill.

I'm a small businessman myself. I ran, before I became President and went to Washington, a farm and a farm supply center. I employed between 10 people and sometimes 50 or 60 people in the harvest season in Georgia. And I know the difficulty in dealing with the Federal Government.

Later on, within the next 12 months, we'll have at the White House a Small Business Conference. We are studying now what can be done to improve the life and the profitability of American small business. But if specific items are removed as a tax privilege from those who own small businesses, it's just to make more equitable and simpler our entire income tax structure.

The net result is for small business—you'll pay less taxes. And the overall net result is that some of the special privileges that have been enjoyed by business will

now be made more equitable for the average American taxpayer.

So, I'm in favor of a dynamic community, a growing economy, a net reduction in taxes, a simpler tax system, one that's more fair.

Thank you, Mr. Burns.

#### ADMINISTRATION POLICIES

Q. My name is George Sparks. Mr. President, this question involves priorities. When historians look back at your term in office, what major domestic accomplishment do you hope will be identified with your Presidency?

THE PRESIDENT. As I said many times during the campaign, I would like to have a government that's as honest and decent and truthful and compassionate and, I said, as filled with love as the American people. This is a statement that was scorned and sometimes made the butt of jokes by people who are cynical in our country.

I think the strength of our government has got to be derived directly from the people. I would like for the government to be efficient, effective, sensitive, open, and fair. I would like for the decisions made on the domestic and international scene to be derived from the combined wisdom and idealism of the American people.

I would like to see us, on the international scene, project accurately the tone and the ideals that were envisioned 200 years ago. I've made a major commitment to let our country be identified on a worldwide basis as *the* protector of basic human rights. At the same time, in our own Nation we've got to be sure that we set a good example.

I spoke yesterday to the Los Angeles County Bar Association, and I spelled out then some defects in our legal systems. In many instances, the very progress that

has been made in giving black people the right to vote, to hold a job, to own a home, has been obstructed by the most prestigious members of the legal profession during those times of transition and change. I know that lawyers are concerned about their clients. But when they organize into a bar association, the responsibility of that group is to protect the interests not of clients, but of lawyers.

I know that doctors care very seriously about their patients. But when you get doctors organized into the American Medical Association and their interest is to protect the interests not of patients, but of doctors. And they've been the major obstacle to progress in our country in having a better health care system in years gone by.

So, I look upon myself as a spokesman for the client and the medical patient and the student in a classroom, the elderly person, the mentally ill person. And I think this sense that I am that person would be the greatest achievement that I could derive for myself on the domestic scene.

I also want to be sure that the conflicting interests that exist in our country because of competition—and Americans are competitive people—are resolved to a great degree.

I would like to go out of office with the people understanding what will be the future possibilities in oil production, natural gas production, coal production, imports, exports, the use of solar power, the constraints on nuclear power, proper disposition of nuclear wastes, all the varied elements of an energy question. That's never been resolved in our country before. It's never been even addressed by a President and the Congress. It's a very difficult thing, because we are one of the greatest producing nations. We are by far the greatest consuming nation of energy. And to resolve those building



conflicts around me as President would be a great achievement, and to bring an awareness of the harmony that ought to exist among American people, rather than emphasizing the differences that will always exist.

The last thing I'd like to say is this: I would like to go out of office having accomplished a resurgence in idealism in our country, reaching for greatness, acknowledging our mistakes, having American people realize that the local government, the mayor, the State government, the Governor, the National Government, the Congress, and the President are basically good people; not dishonest, not thieves, not trying to steal, but dedicated to the deepest commitment that we can possess of serving others.

We've got a good country, and when we have a temporary setback on unemployment or a temporary setback on inflation, or a temporary disharmony or argument with a foreign country, or a need to address the questions of agriculture or environment, this is just a temporary, transient sort of challenge; its not a catastrophe. But quite often Americans are too much inclined to condemn their own society and their government.

We've got the best government on Earth, we've got the best nation on Earth, and I'd like to go out of office with a renewed commitment among American people to prove that not only to ourselves but to the whole world.

MIDDLE EAST PEACE NEGOTIATIONS,  
ARMS SALES

Q. Mr. President, thank you for this opportunity. My name is Dennis Redford. I would like to know why we are involving ourselves in the sale of arms to Sadat and Begin on the one hand, and at the same time, not only advocating peaceful settlement but taking the posture of

peacemaker in an active role with their negotiations? Aren't these positions realistically, diametrically opposed? Isn't this hard to justify morally?

THE PRESIDENT. No. And I'll explain why. There have been disputes in the Middle East for 30 years, even centuries, even before the time of Christ. And I think part of the involvement of American people in shaping my own decisions and the policy of our Government are very well illustrated by the Middle Eastern question. If you think back 12 months or 15 months, we've made a great deal of progress.

Never before have Arab leaders and Jewish leaders been willing to communicate directly with one another. I think the reason that Sadat went to Jerusalem and was received by Begin and Begin went to Ismailia in Egypt and was received by Sadat is because we helped in a limited way, I admit, to convince Begin and Sadat that both of those leaders genuinely wanted peace.

There's no doubt in my mind that Sadat wants peace perhaps as much as anybody in the world, and there's no doubt in my mind that Begin wants peace just as deeply.

One surprise that struck Begin and Sadat, they both told me that—in fact, Begin just a few days ago—one surprise was they underestimated their own people. When Sadat went into the streets of Jerusalem, the expression on the faces of public officials, women, children, every citizen along the street, was one of hope and welcome, even love for an Arab leader who in the past had been involved in war and the most intense hatred against the Israelis, against the Jews.

The same experience was witnessed when the negotiators went into Cairo. They couldn't walk down the street without being surrounded by Arab Egyptians

who tried to give them gifts, some of them who were there—Ezer Weizman<sup>1</sup> told me that people would come out of their jewelry stores and try to put in their hands very expensive rings and diamonds, just as a gift from the Egyptian people for trying to strive for peace.

So, the essence of what we've tried to do is to capitalize on the genuine desire of the Arabs and Israelis to find peace, and a great deal of progress has been made. The first time I talked to Sadat in the seclusion of the upstairs bedroom area of the White House, he said, "What do you want, Mr. President, me to do?"

And I said, "I want you first of all to recognize that Israel has a right to exist, to exist permanently and to exist in peace. Secondly, I want you to reach out your hand and talk directly with the leaders of Israel, not through us as an intermediary. And third, I want you to recognize that there can be genuine peace between the Egyptians and Israelis, open borders, trade, tourist exchange, student exchange, diplomatic recognition."

He said, "Mr. President, that will never happen in my lifetime." Less than a year later, Sadat adopted all those requests of mine and laid them on the table. The Israelis responded accordingly. Begin has now put forward some good ideas.

Now, it comes to the arms question. Our interest in the Mideast is not as a distant observer. It's not just as a postman to carry messages back and forth between the Israelis and the Egyptians and others. Most of the time the messages are not received well, as you know, because each side wants more than the other one is willing to offer. We're not just a disinterested person or party.

We have an intense, serious, national interest in Middle Eastern peace, first

of all, because of our total commitment that will never be shaken, that Israel shall be free, protected, secure, and peaceful. That overrides everything else.

The second, though, is my realization that the best way to do that is to also have the friendship and the trust and the partnership of the moderate Arab leaders, leaders like Sadat, a peaceful man, leaders like the Saudi Arabians, who have been staunch friends and allies of ours—there's no other government that I can think of that's been more helpful to me as President than those from Saudi Arabia.

We don't want them to turn against each other. We don't want them to turn against Israel. We don't want them to turn to even other European countries or to the Soviet Union for their own security.

The Saudis, for instance, in the most controversial part of the arms package, have requested 60 F-15 airplanes to be delivered between now and 1983. It's a very modest request.

When President Ford was in office, Secretary Kissinger promised the Saudi Arabians, with the full knowledge of the Defense Department, many leaders in the Congress, "We will give you whichever you want, F-16's"—which are primarily offensive planes—"or the F-15"—which is the finest defensive fighter plane in the world.

I reaffirmed this commitment when I first became President, and again in January when I went to Saudi Arabia to meet with King Khalid and the leaders. I said, "We will make this delivery." They chose the F-15, the defensive fighter. They did not ever ask us to put bombracks or offensive weapons on the F-15.

I think it's much better for us to keep that sense in Saudi Arabia that we are their friends, they can trust us when we make a commitment or a promise on the

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<sup>1</sup> Israeli defense minister.

part of the President and the Congress, it will be honored. And I believe that it's best for Israel, for us to have this good, firm, solid, mutually trustful, friendly relationship with the moderate Arab leaders.

So, I believe that this proposal that I have made to Congress is minimal. I hope and believe the Congress will honor my recommendation. It will never be in any way a derogation of Israeli superiority in the air. They'll still be superior in every sense of the word. There's no threat to them.

The Saudis do not want to station these planes close to Israel. They want to put them up near Iraq and South Yemen, where the major threat against Saudi Arabia might come.

So, the totality of it is that we will go ahead with this proposal. It's good for us, it's good for Israel, it's good for peace in the Middle East. It helps us to keep a good trade relationship with those countries involved. It reinforces the commitment of Egypt and Saudi Arabia to look to us for their future prosperity and security. And in the whole process we will keep my honor—my commitment to the American people, that year by year, completely contrary to what we've done in the past, we're going to cut down each year the quantity of arms we sell overseas. I'm committed to doing this, and I'm going to do it.

#### SOCIAL SECURITY SYSTEM

Q. My name is Charlotte Lebsack. Mr. President, bearing in mind that the money I am paying into social security for my retirement is being used now, today, to pay for the benefits of those individuals who paid into the program 20 to 30 years ago, I would like to know what type of benefits, if any, I can expect to receive

when I retire, and who is going to pay for them?

THE PRESIDENT. An excellent question.

This is another one of those questions that I faced when I became President last year. There are three major reserve funds that have been set up since the late 1940's to meet the payment requirements of the social security system. Two of those reserve funds were facing bankruptcy—one within another year, and the other one about 3 years later.

So, I studied this question for about 6 months, with the help of many Members of Congress, and made a proposal to the Congress, a proposition that we had to bring some constraint on the over-rapid increase in benefits that, in effect, doubled the inflation rate in some respects, and at the same time provide some firm commitment to finance the social security system on a permanent basis.

Congress acted last year. They guaranteed that the social security system will not go into bankruptcy. This was necessary so that for the next 25 years, if the Congress doesn't change the law any further, benefits will be guaranteed and those reserve funds will build up very slowly but steadily in the quantity of money available and there will be no threat to the social security system in years to come.

The people don't like to pay any more in social security payments, I realize that. But the amount that will be increased for you, the average American citizen, over the next 10 years is very, very tiny. The ones who will have a substantial social security increased payment to make are those that make \$20,000, \$25, \$30, \$35, or \$40,000. And in the process of paying more, they also will have a higher base on which to derive benefits once they retire. It's a good investment for them.

So, you can rest assured that the social security will be sound. We've got accurate projections on how many people will be

employed and how many will be contributing to the social security system in the future. And you need not worry, if the future Presidents and future Congresses don't change the system, that when you retire, the money will be there to pay your justly deserved retirement benefits back that you put in because of your hard work.

#### TUITION TAX CREDITS

Q. Mr. President, I am Catherine McGourin, and my question has to do with tuition tax credits. And first I would like to ask if any of your children attended private or nondenominational schools with tuition grants from the State, and second, I would ask if you intend to hold to your promise to help parents of children in private and parochial schools obtain help?

THE PRESIDENT. Fine. I've had four children. We had three boys while I was in the Navy, and then my wife and I had a 14-year argument that I finally won. [Laughter] Amy came along later. They've all attended the public schools, except my youngest son, Jeffery, who had problems with his health and who attended a private school for 1 year. We paid the tuition there without any State help.

When I was Governor, I instituted a program to give financial assistance to students who attended the private colleges. We started off \$400 per year per student. It was increased later during my term to \$600 a year per student. This was constitutional in Georgia.

I don't think that tuition tax credits ought to be authorized in the United States. We have put forward an alternate proposal to help the average American family pay for college tuition and other costs in a much more effective way. The tuition tax credits, because of the design of the income tax system, help much more

greatly those families with a very high income.

My own belief is that to provide tuition tax credits for elementary and secondary schools would not only be ill-advised, because it would rob away from the public schools, but also is unconstitutional.

So, I don't favor tuition tax credits. And if the Congress does pass the tuition tax credit bill, I intend to do everything I can to keep it from becoming law, including vetoing the legislation. I'm committed to the public school system at the elementary and secondary level.

Within the confines of court rulings and other determinations under the United States Constitution, however, I am in favor of credits of many kinds, not through the tax system, being given to the parochial schools and other private schools. But the tuition tax credit system and the route is the wrong action in my opinion, and I oppose it now very deeply and believe it would be a serious mistake and will do all I can to prevent tuition tax credits from being the means by which we give aid to the private colleges for tuition, for scholarships, for loans for students—I think that's a better alternative. So, tuition tax credits I oppose.

#### SOLAR ENERGY

Q. Mr. President, my name is Chris Salisbury.

THE PRESIDENT. Saltsburg?

Q. Salisbury. There is presently a bill in Congress with over 100 cosponsors, called the solar energy bank bill. This is designed to set up a solar energy bank with a \$5 billion revolving fund to provide long-term, low-interest loans for the purchase and installation of solar energy systems in commercial and residential buildings.

Do you support this?

THE PRESIDENT. No, I don't support that particular legislation. I think that a

\$5 billion allocation this next year for solar energy would be completely excessive. I don't think there's any way that we could either finance it without destroying the American budget, nor do I think that we could administer it for the benefit of the American people.

The first step that the Congress ought to take, including those 100 Members who signed that legislation, is to get passed the comprehensive energy package that's been considered by the Congress for the last 13 months. They've been too slow acting, and we need to expedite that process. Included in that legislation, by the way, is a \$2,000 tax credit for any family who wants to install solar heating equipment in their own homes.

There is also direct grants, guaranteed loans for that purpose. The day before yesterday in Golden, Colorado, I announced that we were increasing by \$100 million more the amount of money that we had already requested for solar energy research and development and demonstration projects.

In some areas of solar energy, we have passed the demonstration stage. We don't need to finance the installation anymore of units to heat water in a home, or even to heat a home. We know the technology. There are a million of those units in Japan right now. There are 300,000 of those units in Israel right now. It's time for us to move from research, development, and demonstration there to marketing. And I believe the best way to improve the rate with which American families install solar heating units and air-conditioning units on their homes is to make it possible for them to get loans to buy the unit, and to give them tax credits to encourage these purchases.

The manufacturers are ready to go to work on that, and I think we have made a proposal that's adequate to the Congress. We are going to increase, however,

research and development into other forms of solar energy—temperature gradients in the ocean, windmill powerplants, the research and development on photovoltaic cells, the biomass processes, by which wood products or waste products or even garbage is changed into useful energy, and so forth.

That's where the research and development ought to be in solar energy, and not a \$5 billion program as you've just described that would distort the whole energy picture and I don't think is necessary. I think we'll have a strong, good, aggressive, adequate solar energy stimulus package if the Congress will simply act expeditiously on a proposal that I've just outlined to you, which has already been made to them.

#### HOMEOWNERSHIP

**Q.** Mr. President, my name is John J. Hastings. I wish to preface my question with this statement about you. I believe that you are the best President this country has known in its 201-year history.

I am interested in economics and in inflation. Will you please tell me how a young couple in the 25-year-old age bracket might secure the collateral to buy an average home in the \$70,000 to \$80,000 bracket here in the Spokane Valley?

**THE PRESIDENT.** Well, first of all, I liked the first part of your presentation better. [*Laughter*] I'm not the best, and when I walk around the White House and realize the quality of my predecessors, it's a very sobering experience and a very inspirational thing.

We have a lot of meetings, for instance, in what they call the State Dining Room. And looking down on that room is a very somber and a very serious portrait of Abraham Lincoln. And down in the Map Room there's a little rough-looking wooden box—and when you open it up,

there are writing materials in there, and sand to blot the ink, and quill pens. That was designed and built and all carried around the country by Thomas Jefferson, as he made trips like this to the then-existing country.

We've had some great leaders and some great Presidents who faced much more difficult questions than I do today. We are in a time of peace, and it's a good opportunity for us to reexamine what we are and what we stand for and to pull ourselves back together and to strengthen our country once again. So, I don't claim by any means to be the best person who's lived there. I'm not.

The second part of your question is one that's very difficult to answer. There are times in every young person's life when you have to make a decision on whether to buy a home that is acknowledged to be very expensive, or whether you want to continue to rent a home that might be a little bit less expensive per month. And the quality of the kind of home you buy is also a decision for you to make.

I lived in 15 houses before I was able to own a home. When I moved to Plains from the Navy in 1953, I didn't have any money, and I lived in a concrete block, low-rent, government housing project. I only paid \$31 a month, which is all the government determined that I could pay. And I lived in three more houses before I built my present home in Plains. So, that judgment of when to buy and when to continue to rent and how expensive the quality of a home is one that you'll have to make.

We are trying to eliminate some of the disharmonies and obstacles that exist for young men and women to own their own homes. We are increasing substantially the effort in the Housing and Urban Development program to make homes available. And since I've been in office,

not because of me, but because of the inclination of the American people and Congress action, we've had a very strong homebuilding program.

Last year more than 2 million new homes were built. Last night I spent the night in Portland with a young family, Paul and Janet Olson. They were living in a home that they bought a few years ago for \$15,000. It was in a dilapidated part of town, and they bought it at a sacrifice, because the area was disgraceful rather than a source of pride. But other people around them bought homes, and using government funds like the 312 program and others they refurbished their own home, and now it's really a showplace.

He's a man of moderate income. He has two small children, 5 and 3 years old, but now his home is one that Good Housekeeping or Better Homes and Gardens could go in and take photographs of as a kind of a showplace. They've done the work themselves. So, there are many options now under Federal programs.

The other thing that's happened is that yesterday, just to illustrate, I was in the Watts area, where in 1965 the whole area was destroyed. It's been rejuvenated. There's a new tone of confidence and commitment among those black people who live there—almost entirely black or Spanish-speaking as well. There's the highest proportion of homeowners in Watts now than any other black community in the Nation. And a lot of it's been brought about by new kinds of government help.

When I campaigned around the country, one of the common things I heard in the ghetto areas of our Nation's cities, was redlining, where lending institutions, banks, savings and loans would say that "In this neighborhood or on this block no loans will be made, no matter what

the status of that family might be, no matter what their income might be. We're not going to make any loans in this area," which condemned that part of a city to death. And under the leadership of Bob McKinney, who now heads up the Home Loan Board, that's been prohibited. And we are trying to eliminate redlining around our country.

So, I can't tell you that we have a program in government now or in the future that would let a young couple with a very limited income buy a \$70,000 home. But we are trying to do other things that would tailor government programs through guaranteed loans, renovation of old houses, rent supplements for those with very low income, public housing projects where they are needed, Section 212 programs for retired people, older people, high-rise houses or homes in downtown urban areas, like in New York, the renovation of homes that I've just described in Watts—we're trying to have a comprehensive program.

And the last thing I'd like to say is this: Under the leadership of Pat Harris, who happens to be a black woman, head of the Housing and Urban Development Department, we have a group of people who are genuine homebuilders working. They are not there to try to find some excuse not to build homes. They're there to work with knowledge of their past experience on how to rejuvenate these old areas and put people in homes that they own themselves or can afford to rent.

I haven't given you a good answer to your specific question, but that's the best answer I can give. And I believe that over a period of time you will see that the kinds of programs that we are now implementing, with the help of Congress and the enthusiastic administration of the programs that already exist and the new urban policy that's just now beginning to have life, these things collectively

will correct a lot of the defects that have long existed in the desire of American people to have a home that they can call their own.

#### SOVIET INVOLVEMENT IN AFRICA

Q. Mr. President, my name is Steve Rothschild, and I would like to ask you, do you view the recent intervention of Russia and Cuba in Africa as a test of U.S. policy? In other words, what is U.S. policy toward Soviet intervention in Third World nations?

THE PRESIDENT. I think we are holding our own in the so-called peaceful competition with the Soviet Union, in Africa and in other parts of the world. Again, I hate to refer repeatedly to what existed in the past, but I think it's accurate to say that never before in the history of our Nation have we shown any substantial interest in the continent of Africa.

Just a few weeks ago I visited Nigeria, the greatest nation in Africa in many ways—economically, population, vigor, influence, growing influence. There are about 100 million people who live in Nigeria. It's one of the present and future leaders of black Africa. I was the first American President, by the way, in the history of our country who had ever made an official visit to a black African nation.

Two or three years ago when Secretary Kissinger wanted to go and visit Nigeria, the country would not even let him enter that country. But I was received with open arms in a tremendous outpouring of friendship and realization of mutual purpose.

We are trying to do the same thing in other parts of Africa, particularly where the black nations exist. We've got a good advantage in having a man like Andrew Young head our United Nations delegation. He's trusted by black people, not only in Africa but in the Caribbean area, in

Latin America, and around the world—also in this country, of course. But just the fact that I appointed him to be our U.N. Ambassador is a demonstration to those people in tangible terms that we care about them for the first time in 200 years.

Now, the Soviets are obviously trying to use their influence in Africa and other parts of the world. In many instances when they have come into a nation that has a changing government, their major input has been weapons, and they are much more easy to buy weapons from than we are. They will supply excessive weapons to countries like Somalia and Ethiopia, in the Horn of Africa, resulting in this instance by an attack on Ethiopia by Somalia with Soviet weapons. Both countries got them from the Soviet Union.

The Soviets have gone into Ethiopia, using Cuban troops to fight against Somalia. I deplore this very much. In the strongest possible terms we have let the Soviets and the Cubans know that this is a danger to American-Soviet friendship and to the nurturing and enhancement of the principle of détente.

The Soviets know very clearly how deeply I feel about this. I've communicated directly with Brezhnev through private, sealed messages. And Cy Vance just came back from Moscow recently, having repeated to the Soviets, "Be careful how you use your military strength in Africa if you want to be a friend of the United States and maintain peace throughout the world."

So, I think that they are mistaken. There's a strong sense of nationalism in Africa. Once the Soviets are there to help with military weapons when a new government is formed, then the people of that country almost invariably want the Soviets to get out and let them run their own affairs.

I think there's an innate racism that exists toward black people within the Soviet Union, as compared to us. We know how to live with white and black people together. We respect each other. We've learned this the hard way. But there's a great deal of appreciation in Africa for this attitude on the part of the United States, as contrasted with the Soviet Union. And there's another very major factor that I mentioned yesterday morning in Denver at the Governor's Prayer Breakfast, and that is that there's a strong sense of religious commitment throughout black Africa and indeed the northern part of Africa as well, Egypt and the others. They may be Arabs, they may be Moslems, they may be Christians or others, but they worship God.

And this is a sense or a mechanism of a feeling of brotherhood and sisterhood that binds us together very strongly. They recognize that the Soviet Union is a Communist and an atheistic nation, and it's a very present concern in the minds and hearts of Africans who, on a temporary basis, will turn to the Soviets to buy weapons because we won't sell the weapons to them.

We come in later with economic aid, with trade, with friendship, with the commitment to democracy and freedom, to human rights, and I believe in the long run our system will prevail. We could compete more directly and effectively with the Soviets on a temporary basis by trying to sell our weapons to every country that calls for them. I don't think that's the right approach.

I'd rather depend on the basic commitment of American people to human rights, to religious commitment and freedom, and to a sense of equality with those people who might be brown or yellow or black, than to depend on the Soviets trying to buy friendship through the sale of destructive weapons designed to kill.



## CRIMINAL JUSTICE SYSTEM

Q. Mr. President, I'm George G. Paul, I work at the Veterans Administration Hospital. On April 12, I wrote you a letter giving you five constructive suggestions: one, helping to stabilize the national economy; two, fighting poverty; three, curing illiteracy; four, bringing drug abuse to a standstill; five, other dollar savings by the Federal Government. Because of the time element, I will dwell briefly on the former, helping to stabilize the national economy.

Question: Is it possible to propose a 10-percent surcharge on all fines of misdemeanor court and felony cases? Last year Spokane, with its 180,000 population, grossed over \$1 million in fines; 10 percent of that would be over \$100,000, or 60 cents per capita.

Using that as a yardstick, you could say that with the national population of over 180 million, we could realize about \$108 million. The end result would be a healthier nation, due to more money or less crime—either way the Nation wins. As I see it, the only opposition to this type of program would be the chronic offenders. What's your comment?

THE PRESIDENT. I wish that you would give your mailing address to one of our staff members, Stu Eizenstat, right over here, so that he can send you a copy of the speech that I made yesterday to the Los Angeles Bar Association, where I covered some of those very points that you've just reached.

One of the things that I did describe is that just legal fees paid by corporations last year amounted to \$24 billion. A lot of the legislation—I mean, a lot of the litigation involved was unnecessary. And in some of those lawsuits, they've been dragging out 8, 9, 10 years. There was one lawsuit that lasted 30 years, and as you can well see, the people who were in-

volved in a lawsuit to begin with were dead by the time the final decision was made. That's 12 times as much as our society spends on all local, State, and Federal courts.

So, bringing some quality into the entire judicial system and crime control is a very great commitment of my own administration.

Whether to finance it out of a system that you've described is something that I have not addressed, but I will take your recommendation and consider it very carefully.

We were pleased last year to see the overall crime rate drop for the first time in many years. It dropped 4 percent. Perhaps this is an omen of things to come.

One of the reasons that the crime rate did drop, in my opinion, is the much tighter control over the habit-forming drugs that were coming into our country. Under the leadership of Dr. Peter Bourne, who heads up my drug abuse program in the White House, we worked out an agreement with the new President of Mexico, López Portillo, to hold down the production and the distribution in our country of heroin derived from poppies that were being grown in the mountain areas of Mexico. López Portillo is committed to controlling this source of crime in our country as much as I am. So, we worked out with him a means to cut down the opium smuggling into the United States from Mexico by 90 percent. It means now that the opium sold on our city streets is much less pure. It's much more expensive, and just that fact alone has helped to cut down many of the violent crimes.

So, your recommendation that we use money from the court system itself to finance a better criminal justice system is a very good idea. But I would like for you to give your name and address over here so that we can give you a complete

analysis of what I hope to do to cut down crime in our country and to make our criminal court system, our entire bar association more responsive to the needs of our people.

Thank you very much.

Stu Eizenstat is over there with his hand up. He can get your name and address.

#### TUITION TAX CREDITS

Q. Mr. President, my name is Sandra Felix, and I would like to ask you if you would elaborate on why you are opposed to tax credit for college students and specifically what you would foresee doing instead.

THE PRESIDENT. All right. I don't think there's any constitutional prohibition against tax credits at the college level. There is, in my opinion and in the opinion of the Supreme Court, and also the Attorney General, for elementary and secondary schools, because people have to pay taxes to finance those schools.

At the college level, however, I think that a much more effective way to meet the needs of the low-, middle-, and even upper-class families for helping students go to school is to expand the existing programs for grants for those who have low incomes or either a large number of children with a moderate income, loans for students who can pay back those loans after their college tuition time is over. And this concentrates the benefits for a given amount of payment from the Federal Treasury or loss in tax collections exactly among those families who need it most.

Tuition tax credits also don't take into account the problem that a middle-income family has if they have two or three children going to college at the same time. There's only one tuition tax credit for a wage earner, whereas the proposition that I've made to Congress, which is not any more costly but much more effec-

tive, would let several children in a given family derive the same benefits with grants, loans, tuition credits, and other aids.

So, for a given amount of loss to the Federal Treasury, you get much more benefit for students and much more benefit for the kind of family, the average American family that needs it most.

I have to admit that the very high income family would derive more help from tuition tax credits, but most American families would not.

I might say I don't know of a single college administrator nor a single State university system leader who favors the tuition tax credit proposal over the one that I've just described to you. Educators at all levels prefer what I've just described. It's better for the taxpayers of our country, it's better for the students involved, it's better for the colleges, it's also better for the families who have to educate those children.

#### ENHANCED RADIATION WEAPONS

Q. Mr. President, my name is Peter Hammer. I was just going to ask you a question about the neutron bomb.

THE PRESIDENT. Good.

Q. Are you going to scrap it altogether, or are you just maybe delaying it for a while until a better time to bring it out? My second part of that was, I'd like to know where your values are at, with property or with people, because the neutron bomb would have a greater kill value, but it wouldn't hurt the property. Are you for that?

THE PRESIDENT. Good question. Thank you.

As you may know, Peter, a decision to go ahead with the design of the neutron bomb was made before I became President. I didn't know about it until it was published in the newspaper. And at that

time I began to assess whether or not we needed to go ahead to produce the neutron weapon itself.

We have a serious problem in Western Europe and Eastern Europe. The Soviet Union has built up a tremendous quantity of tank force, military force of all kinds, nuclear weapons like the SS-20, which is 30 times more destructive than any neutron weapon that we've ever considered, and which has a range of more than a thousand miles, where the range of the kind of neutron weapon we're talking about is only 15 or 20 or 25 miles.

There has never been any thought that neutron weapons, which are not bombs, but either shells or missiles, would be deployed on American soil. They're not feasible at all for use in this country or where Americans live. If ever produced, they would be deployed on the ground or in the lands of the West Germans or the Belgians or other Europeans.

Another factor to make is that if the Soviets did invade, then the lives that would be saved by a weapon with a very narrow destructive area would be West Germans, Belgians, those who live in Holland, perhaps the French, that are our friends and allies. I never had a single European country who told me that if we produced the neutron weapon that they were willing to deploy it.

West German leaders said that, "If other nations in Europe will deploy it, we will." So, that's why I terminated any consideration of the production of the neutron weapon for the time being.

If the Soviets continue to build up their own forces to a degree that increases the threat against the West Europeans, who are our NATO Allies, and we have about 300,000 American soldiers in the Western European area, who would be directly threatened, then I would consider going ahead with the neutron bomb as one of the alternatives that faced me.

I would not want to close that option completely. But there is no plan now to go ahead with the neutron weapon.

I hope that the Soviets will caution themselves and not build up their forces any further. We've also got another negotiation going on with them, Peter, with which you may or may not be familiar, called the mutual and balanced force reductions. We've just for the first time put on the table a list of all the armed forces we have in Western Europe. The Soviets did the same thing for the first time. They put on the table a list of all the armed forces they have in Eastern Europe. And once those inventories are confirmed on both sides, then the next step would be to start reducing the armed force commitment by NATO and the so-called Warsaw Pact on opposite sides of the boundaries between Eastern and Western Europe for the first time.

So, we want peace. We want to eliminate nuclear weapons altogether. We can't leave our country defenseless, and we can only go so far in putting constraints on ourselves until we are sure that the Soviets are willing to meet our constraints.

So far, the Soviets have negotiated in good faith on SALT. We hope for the first time to have a comprehensive test ban, where we eliminate completely the testing of nuclear weapons. We are still testing those right and left. So, another thing that Congress has done recently on the same subject is to pass legislation again for the first time preventing non-nuclear nations from developing explosives, but permitting them to go ahead and produce atomic power.

So, in all aspects of the use of nuclear power, my commitment, as I'm sure is yours, is to reduce the prospect of new atomic weapons on a mutual basis with the Soviets and others and start reducing the inventory of existing nuclear

weapons with the ultimate goal, by the American people at least, to eliminate nuclear weapons from the Earth altogether.

#### NATIONAL HEALTH CARE

Q. Mr. President, my name is Kyra Coffey. And I know what I want to say, first of all, is really unprofessional and un—what am I trying to say?—not really related, but I think you're really cute. I do. [*Laughter*]

THE PRESIDENT. You're the first questioner that's made me blush. [*Laughter*]

Q. Okay. Now I'd like to ask my question. If you're going to reduce the government interference in the lives of the American people as you said, why then are you pushing for a national health care plan which will only increase our income tax and increase our national debt, just as it has in England and Sweden? Thank you.

THE PRESIDENT. Thank you. If that was the result of a national health plan, just to increase the burden on the American people financially, I of course would never consider it. Beginning with President Truman's administration, there has been a growing interest and desire among the American people to have a more far-reaching or comprehensive health plan for our Nation.

There would be several emphases in the new plan that don't presently exist, and I'll just mention a few of them.

One is prevention of disease, and not just a commitment to treat an affliction or a disease after it occurs in the human body. Fifteen months ago the immunization program for children, for instance, had almost been completely forgotten. Now with our new CHAPS program, so-called, we are trying to test young people at an early age, 4 or 5 years old, to see what defects they do have, immunize them against prospective diseases for a change, as did occur in my childhood,

perhaps in yours, and make sure that the emphasis is on prevention.

The second thing we want to do is to let Americans prepay through a routine monthly payment, for instance, for this kind of care and not just depend upon concerted and very expensive care after they become ill.

We need to get away from the commitment of medical doctors, hospital administrators, even patients, to go into a hospital for treatment when they could get adequate treatment in an out-patient clinic. As you know, many hospital insurance policies won't pay off unless you are admitted to the hospital as a patient.

Obviously, this is more convenient for the doctors perhaps. It's much more profitable for those who own or operate a hospital. You're quite often given services or treatment that you don't need, and of course it makes the expense of hospital care in our country far greater per person than any other nation on Earth, including Sweden, Canada, England, where they do have a more comprehensive health care program.

Another thing that we want to emphasize in the new proposals is the use of paramedical personnel, not just medical doctors. Of course, this care would have to be under the supervision of qualified medical doctors, psychiatrists, and others, but I think that the greater use of licensed practical nurses, registered nurses, laboratory assistants, physicians assistants, and so forth would let this examination-type care and routine treatment in out-patient clinics be much less expensive.

We've seen in recent years an unbelievable explosion in health care costs. Last year, for instance, the hospital costs went up in our country 16 percent. The inflation rate went up about 6 percent. And this has been typical of the last few years.

Our hospital costs for a given degree of

treatment has doubled, has been doubling every 5 years, an unbelievable, unwarranted increase in health care costs. We now spend about \$6 or \$700—I'm not sure of the exact figure—for every man, woman, and child in this country for health care, and we don't nearly have the best health care in the world.

So, I think that a much more effective program can be evolved than the one now. A step in the right direction was Medicaid and Medicare. We've now got health care responsibilities scattered all over the Federal Government. I think to bring that together and have one tight, good administration would be better.

I personally want to keep open the option of the insurance portion being administered by private insurance companies. I don't want to see the Government take over this full responsibility. And I'm also committed to the proposition that individual American citizens would continue to have the right to choose their own family physician. I don't want the Federal Government telling a patient you have to go to that particular physician to get your care.

Another aspect that we are trying to move on is to cut down the cost of drugs and to cut down the cost of all kinds of treatment mechanisms that are very, very expensive. Generic drugs sometimes cost only one-fifth as much as brand-name drugs that are identical in composition, taste, and everything else, including quality.

So, you can see that we've got a very serious problem in our country on health care. But within the bounds that I've just described to you very briefly, I believe that we can evolve over a period of years to be implemented very slowly but very cautiously a comprehensive health care program that the American people would see is not any more costly, is much more

effective, and would improve substantially the health of the American people.

Now, where exactly to start the first year, we've not yet decided. It might be on health care for very young people, it might be health care in the case of catastrophic illnesses, where it's far beyond the capability financially of a family. But we'll feel our way very cautiously, but I think the American people are ready for the kind of changes that I've described to you.

#### OIL SURPLUSES

Q. Mr. President, I'm John Bjork. Reportedly we have an oil glut here on the west coast now, supposedly because of Alaskan oil. Would you support, perhaps on a temporary basis, trading Alaskan oil to Japan and redistributing Middle East oil that would be going to Japan to other parts of our country?

THE PRESIDENT. Since the Alaskan oil began to come down to the mainland, about 1.2 million barrels a day, we've got a surplus of oil on the west coast. Five and a half million to maybe—550,000 to maybe 700,000 barrels of oil extra come into our country daily on the west coast that we are not presently using.

This situation is aggravated by the fact that most of the oil that is produced in California has a high sulfur content called sour oil and is a very low viscosity or thick oil. And the refineries in California for instance are not designed to use the California oil.

What to do about the subject is a question that we've not adequately resolved. One proposal is that there be placed into use an existing pipeline owned by the Sohio Company that presently brings natural gas from Texas, Louisiana fields into California—to change that pipeline into one that can carry oil from the south-

ern part of California into the refineries in Texas-Louisiana-Alabama area. This would let us move that oil where it is needed.

We have now been required by law to take that surplus oil and to transport it to the gulf coast through the Panama Canal, which is a fairly expensive process and which works a financial hardship on the State of Alaska because they have to share in the transportation costs along with the oil companies.

I could not presently route that oil to Japan. The law prohibits it at this point. I believe it was the law that set up the Alaskan pipeline that said that the Alaskan oil had to be used on the mainland of our country. But this is one of the options that we are considering. I think a lot of it depends on how rapidly we can turn the Sohio line around and transport oil across the southern part of our country to the presently existing refineries.

If that should fall through as a proposition, then I think trade for some of the surplus oil on a temporary basis with Japan would be one of the options that we would consider very seriously. I just don't know yet.

Yes, sir?

Q. Mr. President, my name—

THE PRESIDENT. The Japanese want it, by the way.

#### MENTAL HEALTH PROGRAMS

Q. Mr. President, my name is Stephen Balburg, and I'm concerned about mental health-related issues in our country. I know that your wife is very much involved in mental health throughout the country. I'm especially concerned about possible budgetary cuts or additions within the next fiscal year. Could you comment on what the future is of mental health in regards to those concerns in the next year or two?

THE PRESIDENT. Yes. Within the past week I received a report from the mental health study commission that was headed by my wife, who's honorary chairman. She was a very active chairperson, participated in public hearings all over the country, had, I think, 21 people to work with her, representing all elements of the mental health care problem in our country; had a very fine professional doctor, Dr. Tom Bryant, to help her with it.

It's a good report. It advocates a further move toward community health care centers, where mental patients of all kinds could live as well as possible within their own homes or either near their own homes, to continue to cut down the population of mental patients who are in hospitals, mental hospitals, because we know that once they are there, it is an extremely expensive thing for the taxpayers to support them, costing anywhere from \$30,000 to \$50,000 per patient. To take care of a patient under normal circumstances in a mental health treatment center would cost maybe one-fifth that much or even less.

In Georgia, under my wife's leadership again and with me giving her some aid as Governor, we established a large number of these community health treatment centers. They were supervised by psychiatrists or professional psychologists. But in the process we used a lot of parents or people who had, for instance, a retarded child or a child with some other mental defect. They worked under the supervision there in the center of maybe retired schoolteachers or those who quit teaching to come to work in this kind of environment. Existing social workers joined in to help, volunteers helped, and there was a revitalization of the lives of some of those patients who were quite old, who had been scorned, hidden in the closets or in the basements of homes, or dwelt all their lives, perhaps, in a mental institution.

The thrust of their study, in addition to what I've just described, is again on the prevention of mental illness of all kinds. Research and development will be greatly enhanced. The cohesion of Federal programs that presently are scattered all over the Federal Government into one central organizational structure is another recommendation.

There are in all 117 specific recommendations that have been put to me. My desire is to carry out all of them. And the best lobbyist in the United States will be there with me every day and alongside of me every night to remind me that I have a responsibility to the mentally ill people of this country. So, I think we are going to see a new day in mental health in our Nation.

One of the biggest problems that Rosalynn identified in traveling around the country was the so-called stigma that is attached to people who have mental illnesses. Now, about one out of seven American people need mental treatment. And quite often—even perhaps some of you have been reluctant to admit that those who have suffered in the past or presently suffer from mental illness are good citizens and can be good employees and can be good neighbors.

So, just the acceptance of these people into our arms and into our hearts as those who are worthy, do have a problem, in almost every instance temporary, and can be constructive and good citizens in the future if we care for them, is the main benefit that I believe we'll derive from this study and from the implementation of it.

We know that there must be a close relationship between government at all levels and the private citizenry of our country, but there also must be a close relationship between those who treat physical illnesses and mental illnesses. Quite often the two in a single person are closely

interrelated. One becomes physically ill if mentally ill, and vice versa.

So, I believe that because of this study and because of my commitment to carry it out, we're going to see some very good changes made in the months ahead.

Do I have time for another question? I'll take it anyhow. Okay.

#### CANADA

Q. My name is Mike Huber, and, Mr. President, if Quebec secedes from Canada, would you favor U.S. Statehood for any of the remaining provinces, should they desire it?

THE PRESIDENT. I always make a practice whenever I have a townhall meeting of this kind to avoid answering at least one question—[laughter]—and I think I'll choose your question for that response.

I'll let the Canadian people decide about the cohesion of their great country, and when they make a decision, I'll abide by it.

Let me say in closing this: I've learned a lot today by being with you. I've gotten to know the feeling that you have, and I've become better able to understand the concerns that exist in your mind and the answers to questions that I've not previously made clear to you. It is very difficult for a President, in the limited availability that I have to reach your hearts and minds through the evening news or maybe by news conferences twice a month or brief statements with a fireside chat, to understand you and to let you understand me.

I think this has been a very constructive meeting. You've honored me by inviting me back to Spokane. You live in one of the most beautiful parts of the world. And I always feel better as a President when I return to the White House from a trip like this. I feel closer to you.

I realize again the innate, unchanging greatness of our country, and I am again

reminded of the wisdom and judgment and common sense and the natural friendship toward one another that exists among the American people.

It's been a great occasion for me. I thank you from the bottom of my heart.

NOTE: The President spoke at 1:30 p.m. at the Spokane Convention Center.

## Commemoration of the Victory at Puebla, Mexico

*Statement by the President. May 5, 1978*

Today, the fifth of May, is an important holiday for persons of Mexican ancestry.

This commemorates the victory at Puebla, Mexico, in 1862 against the French and symbolizes the freedom of people of Mexican heritage from the yoke of colonialism.

Mexican traditions in America predate the landing of the Pilgrims at Plymouth Rock. Over the years, these traditions have deeply influenced the life of this country and manifest themselves in the architecture, music, literature, language, family, and customs of America.

On this day of remembrance and celebration, I ask all Americans to join me in extending to our fellow citizens of Mexican heritage warmest greetings for a joyous and festive *cinco de mayo*!

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events

and announcements printed elsewhere in the issue are not included.

*April 30*

The President returned to the White House after a weekend stay at Camp David, Md.

*May 1*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- members of the 95th New Members Caucus of the Congress;
- Secretary of Health, Education, and Welfare Joseph A. Califano, Jr.;
- Secretary of Commerce Juanita M. Kreps;
- Mrs. Carter, for lunch.

*May 2*

The President met at the White House with:

- Dr. Brzezinski;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- the Democratic congressional leadership;
- C. Vann Woodward, historian from New Haven, Conn., Hamilton Jordan, Assistant to the President, and Joseph D. Duffey, Chairman of the National Endowment for the Humanities;
- James T. McIntyre, Jr., Director of the Office of Management and Budget;
- J. C. Turner, president, and senior officials of the International Union of Operating Engineers.

The President transmitted to the Congress the 1977 annual report on mobile home construction and safety standards, prepared by the Department of Housing and Urban Development.

The President hosted a White House



reception for members of the Southern Baptist Convention Mission Service Corps, and in the evening, he attended a dinner with the members at the Mayflower Hotel.

*May 3*

The President met at the White House with:

—Dr. Brzezinski;

—Mr. Moore.

The President met with Prime Minister Takeo Fukuda in the Cabinet Room at the White House, and then hosted a working luncheon for the Prime Minister.

At the Cosmopolitan Hotel in Denver, the President met with Secretary of Agriculture Bob Bergland, Senator Floyd K. Haskell of Colorado, and four of the Senator's constituents. Following the meeting, the President met with Secretary of the Interior Cecil D. Andrus, Senator Haskell, and three of the Senator's constituents at the hotel.

While in Denver, the President had a dinner meeting with representatives from government, industry, and the academic community, to discuss solar energy. The dinner was held at Rick's Cafe, a former garage converted into a solar-heated restaurant.

*May 4*

The President met at the Cosmopolitan Hotel with Representative Timothy E. Wirth of Denver, Colorado, and a group of volunteers with area civic and charitable organizations.

Before departing Los Angeles International Airport for Portland, the President met on Air Force One with Representative Mark W. Hannaford of California.

*May 5*

While in Portland, the President had a breakfast meeting at the Benson Hotel

with city and county officials from Alaska, Idaho, Oregon, and Washington. Governor Robert W. Straub of Oregon, Secretaries Andrus and Bergland, and several other Federal Government officials also participated in the meeting.

The President returned to the White House late in the evening.

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**NOMINATIONS SUBMITTED  
TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

**Submitted May 1, 1978**

FRANCIS H. McADAMS, of the District of Columbia, to be a member of the National Transportation Safety Board for the term expiring December 31, 1982 (reappointment).

**Submitted May 3, 1978**

RICHARD F. KNEIP, of South Dakota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Singapore.

SIDNEY I. LEZAK, of Oregon, to be United States Attorney for the District of Oregon for the term of 4 years (reappointment).

**Withdrawn May 3, 1978**

ANTHONY HASWELL, of Illinois, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term expiring July 18, 1981, vice Donald P. Jacobs, term expired, which was sent to the Senate January 26, 1978.

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**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released April 30, 1978**

Announcement: antiterrorist demonstration at Fort Bragg attended by members of the Special Coordination Committee of the National Security Council

*Administration of Jimmy Carter, 1978*

**CHECKLIST—Continued**

**Released May 2, 1978**

Report: Assessment of the First Year of Zero-Base Budgeting

Announcement: nomination of Sidney I. Lezak to be United States Attorney for the District of Oregon

**Released May 3, 1978**

Advance text: remarks at the Solar Energy Research Institute, South Table Mountain, Golden, Colorado

Announcement: meeting on May 4 with Representative Timothy E. Wirth and a group of volunteers from the Denver area

**Released May 4, 1978**

Fact sheet: Federal involvement in combating Denver air pollution

**CHECKLIST—Continued**

**Released May 4—Continued**

Fact sheet: Energy Impact Assistance program

Advance text: remarks at the 100th anniversary luncheon of the Los Angeles County Bar Association

Fact sheet: Federal involvement in the Portland economic development project

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved May 3, 1978**

H.J. Res. 649----- Public Law 95-272

A joint resolution to authorize the President to call a White House Conference on the Arts, and to authorize the President to call a White House Conference on the Humanities.

# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, May 12, 1978

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## Equal Employment Opportunity Enforcement

*Statement Issued Following the Completion  
of Congressional Consideration of Reorganiza-  
tion Plan No. 1 of 1978. May 6, 1978*

In February, I submitted to the Congress a major plan to reorganize the Federal Government's equal employment opportunity enforcement activities. The plan offers a good example of how reorganization can both improve Government competence and also reduce its unnecessary burden on the American people.

The need to reorganize our equal employment programs has been long recognized by both civil rights and business groups alike. Since 1941, when President Roosevelt issued the first Executive order to forbid employment discrimination in the Federal Government, our Nation has taken historic steps to extend equal employment opportunity throughout the private, as well as the public sector.

Each new prohibition has unfortunately brought with it a further fragmentation of administrative responsibility and management. A large number of different departments and agencies have become involved, resulting in needless confusion, paperwork, duplication, and delay.

Under special reorganization authority adopted by Congress last year, the reorganization plan I submitted in February goes into effect today. It replaces a cha-

otic picture with a coherent and sensible structure.

It will improve enforcement of equal employment opportunities and reduce the burden of equal employment enforcement on business by consolidating the number of agencies involved in this area.

NOTE: For the text of Reorganization Plan No. 1, see page 400 of this volume.

## National Advisory Committee for Women

*Executive Order 12057. May 8, 1978*

By virtue of the authority vested in me as President by the Constitution of the United States of America, and in order to expand the membership of the National Advisory Committee for Women, Section 2 of Executive Order No. 12050 of April 4, 1978 is hereby amended to read as follows:

"Sec. 2. *Membership.* The President shall appoint not more than forty individuals to serve on the Committee and shall designate a chairperson or co-chairpersons from among the members."

JIMMY CARTER

The White House,  
May 8, 1978.

[Filed with the Office of the Federal Register,  
11:44 a.m., May 8, 1978]

## Department of Energy

***Nomination of Duane C. Sewell To Be  
An Assistant Secretary. May 8, 1978***

The President today announced that he will nominate Duane C. Sewell, of Livermore, Calif., to be Assistant Secretary of Energy for Defense Programs.

Sewell was born August 15, 1918, in Oakland, Calif. He graduated from the College of the Pacific in 1940 and did graduate work in physics at the University of California at Berkeley until his graduate education was interrupted by the war in 1941 and he began work the Manhattan Project.

Sewell returned to Berkeley after the war, and in 1950 became development coordinator for the MTA linear accelerator project involving the Berkeley Radiation Laboratory and the California Research and Development Corp. at Livermore. When the Livermore site of the Radiation Laboratory was founded in 1952, Sewell became a staff member of the director's office, later holding the title director of scientific operations.

Sewell was named associate director for support in 1959, and during the 1960's directed the efforts of more than half the laboratory's staff, those involved in scientific and engineering support. Since 1973 he has been deputy director of the Lawrence Livermore Laboratory.

## Inter-American Foundation

***Nomination of Four Members of the Board  
of Directors. May 9, 1978***

The President today announced four persons whom he will nominate to be members of the Board of Directors of the Inter-American Foundation. They are:

Alberto Iburguen, of Glastonbury, Conn., for a 6-year term. Iburguen, 34, was born in Puerto Rico. He was a Peace Corps volunteer in Venezuela from 1966 to 1968, and a Peace Corps program and training officer in Colombia from 1969 to 1971. In the summer of 1972 he was acting program director for the Inter-American Foundation. In 1974 and 1975, Iburguen was director of the Puerto Rican Center for Justice. In 1975 and 1976, he was executive director and general counsel of the Connecticut State Elections Commission and lectured at the University of Connecticut Graduate School of Social Work. Since 1977 he has practiced law in Hartford.

Peter T. Jones, of San Francisco, Calif., for a 6-year term. Jones, 48, is senior vice president and general counsel of Levi Strauss and Co. He is a former vice president of Marcor-Montgomery Ward, and of the ITT Latin American Group. From 1961 to 1964, he was deputy to the Secretary of Commerce and Deputy Assistant Secretary of Commerce for Trade Policy and Financial Policy.

Arnold Nachmanoff, of Arlington, Va., for the remainder of the term expiring September 20, 1980. Nachmanoff, 41, is Deputy Assistant Secretary of the Treasury for Developing Nations. He served previously as vice president for investment management of Opportunity Funding Corporation and as associate general manager of the Cooperative Assistance Fund, both nonprofit private corporations engaged in financing economic development ventures in low-income communities throughout the United States. From 1970 to 1971, he was senior staff member for Latin America on the National Security Council staff.

Carolyn Payton, of Washington, D.C., for a 6-year term. Payton, 52, is Associate Director of ACTION. She worked for the

Peace Corps from 1964 to 1970, serving as chief field selection officer for Latin America, deputy country director for the Eastern Caribbean, country director for the Eastern Caribbean, and special assistant to the Latin American regional director. From 1970 until her appointment as Associate Director of ACTION in 1977, she was director of the University Counseling Service at Howard University.

The President also announced that on confirmation by the Senate, Jones would be designated Chairman of the Commission, and that Charles Meyer, currently a member of the Commission, will be designated Vice Chairman. Meyer is senior vice president for public affairs of Sears, Roebuck Co.

## World Health Assembly at Geneva

*Announcement of the Membership of the U.S. Delegation to the 31st Assembly.  
May 9, 1978*

The President today announced the members of the U.S. Delegation to the 31st World Health Assembly at Geneva this month. They are:

### *Chief delegate:*

SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
JOSEPH CALIFANO

### *Delegates:*

JULIUS B. RICHMOND, Assistant Secretary of HEW

JOHN H. BRYANT, Director-designate, Office of International Health, HEW

### *Alternate delegates:*

ROBERT F. ANDREW, Director, Agency Directorate for Health and Drug Control, Bureau of International Organizations, State Department

LEE M. HOWARD, Director of Health Services, Agency for International Development

WILLIAM J. VANDEN HEUVEL, Representative of the U.S.A. to the European Office of the United Nations, Geneva, Switzerland.

## Aldo Moro

*Statement on the Death of the Former Italian Prime Minister. May 9, 1978*

My sympathies and the sympathies of all Americans go out to Aldo Moro's bereaved family and nation.

His murder is a contemptible and cowardly act. His death advances no cause but that of mindless anarchy. But his life was devoted to building his nation, and his political skills were forever at the service of justice.

He stood for civilization and the rule of law, principles which will always outlive the terrorism that seeks to destroy them.

NOTE: Mr. Moro's body was recovered in central Rome following his murder by members of the Red Brigades, an Italian terrorist organization. The terrorists had abducted him on March 16.

The White House announced that the President sent personal messages of condolence to Mrs. Moro, President Giovanni Leone of Italy, and Prime Minister Giulio Andreotti.

## Northern Mariana Islands

*Proclamation 4568. May 9, 1978*

APPLICATION OF CERTAIN LAWS OF THE UNITED STATES TO THE NORTHERN MARIANA ISLANDS

*By the President of the United States  
of America*

### A Proclamation

The Northern Mariana Islands, as part of the Trust Territory of the Pacific Islands, are administered by the United

States under a Trusteeship Agreement between the United States and the Security Council of the United Nations (61 Stat. 3301). The United States has undertaken to promote the political development of the Trust Territory toward self-government or independence and to protect the rights and fundamental freedoms of its people.

In accordance with those obligations, the United States and the Northern Mariana Islands have entered into a Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (Public Law 94-241; 90 Stat. 263). Section 1004(a) of the Covenant provides that if the President finds a provision of the Constitution or laws of the United States to be inconsistent with the Trusteeship Agreement, the application of that provision to the Northern Mariana Islands may be suspended.

Certain provisions of law restrict jury service in Federal District Courts to United States citizens. The vast majority of the inhabitants of the Northern Mariana Islands are not citizens of the United States and consequently may not participate as jurors in proceedings before the United States District Court for the Northern Mariana Islands. They may also be deprived of the right to have their cases heard before juries selected at random from a fair cross-section of their community. These results would be contrary to the obligations assumed by the United States in the Trusteeship Agreement.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, by the authority vested in me by the Constitution and laws of the United States, including Section 1004(a) of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in

Political Union with the United States of America, do hereby find, declare and proclaim as follows:

Any provision of the Constitution or laws of the United States which prescribes United States citizenship as a qualification for service on a grand or petit jury in the District Court for the Northern Mariana Islands, including that provision contained in Section 1865(b)(1) of Title 28 of the United States Code, would be inconsistent with the Trusteeship Agreement if applied to a citizen of the Trust Territory of the Pacific Islands who is exclusively domiciled, within the meaning of Section 1005(e) of the Covenant, in the Northern Mariana Islands.

Therefore, the application to such individual of any of these provisions is suspended until the termination of the Trusteeship Agreement for the Former Japanese Mandated Islands in the Pacific (61 Stat. 3301).

IN WITNESS WHEREOF, I have hereunto set my hand this ninth day of May, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
12:39 p.m., May 9, 1978]

## Commodity Futures Trading Commission

*Nomination of David G. Gartner To Be a Commissioner. May 9, 1978*

The President today announced that he will nominate David G. Gartner, of Arlington, Va., to be a Commissioner of the Commodity Futures Trading Commission for a 5-year term. He would replace John Rainbolt, who has resigned.

Gartner was born September 27, 1935, in Des Moines, Iowa. He holds a B.A. from the State University of Iowa and a J.D. from Washington College of Law, American University. He served in the U.S. Navy from 1954 to 1956.

From 1956 to 1959, Gartner was a reporter for the Des Moines Register and Tribune. In 1959 he was assistant to Representative Steven Carter, and in 1960 and 1961, he was assistant to Representative Harold T. Johnson.

Gartner served as assistant to Senator and Vice President Hubert Humphrey from 1961 to 1969, and from 1971 until Humphrey's death earlier this year. Since then Gartner has been administrative assistant to Senator Muriel Humphrey. From 1969 to 1971, Gartner was a law clerk and private consultant.

As assistant to Senator Humphrey, Gartner played a major role in passage of the Commodity Futures Trading Commission Act of 1974, which established the Commission.

## National Historic Preservation Week, 1978

*Proclamation 4569. May 10, 1978*

*By the President of the United States of America*

### A Proclamation

America's ability to meet the challenges of its third century with confidence and strength will depend upon an appreciation and understanding by the American people of their past.

Among our most important links with the past are the historic sites, structures, and landmarks of earlier times. Together,

they form a vast legacy of cultural resources. This legacy, however, is not merely one of monuments, battlefields, and historic buildings. It includes the houses, streets, stores and factories that make up our communities—those familiar places and structures that remind us of the accomplishments, character, and dreams of our forebears.

For our own sake, and for that of future generations of Americans, we must do all that lies within our power to preserve this cultural heritage.

Now, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim the week beginning May 7, 1978, as National Historic Preservation Week. I call upon Government agencies at all levels, interested private individuals and organizations, and Americans everywhere, to mark this observance with appropriate ceremonies and activities in their communities and neighborhoods.

IN WITNESS WHEREOF, I have hereunto set my hand this tenth day of May, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 11:38 a.m., May 10, 1978]

## United States Ambassador to Spain

*Nomination of Terence A. Todman. May 10, 1978*

The President today announced that he will nominate Terence A. Todman, of St. Thomas, Virgin Islands, to be Ambassador Extraordinary and Plenipotentiary

of the United States to Spain. He would replace Wells Stabler, resigned.

Todman was born March 13, 1926, in St. Thomas, Virgin Islands. He received a B.A. from Inter-American University in Puerto Rico in 1951, and an M.P.A. from Syracuse University in 1952. He served in the U.S. Army from 1945 to 1949.

From 1952 to 1955, Todman was India-Ceylon-Nepal desk officer at the State Department, and from 1955 to 1957, he was a foreign affairs officer in the Bureau of International Organization Affairs there. He served as political officer in New Delhi from 1957 to 1959, and took Arabic language and area training in Beirut in 1960 and 1961.

From 1961 to 1964, Todman was political officer in Tunis. He was Deputy Chief of Mission in Lomé from 1965 to 1968, and alternate country director for East African affairs in 1968 and 1969.

Todman was Ambassador to the Republic of Chad from 1969 to 1972, and to Guinea from 1972 to 1974. From 1974 to 1977, he served as Ambassador to Costa Rica. Since 1977 he has been Assistant Secretary of State for Inter-American Affairs.

## United States Ambassador to the Philippines

*Nomination of Richard W. Murphy.  
May 10, 1978*

The President today announced that he will nominate Richard W. Murphy, of Sumner, Md., to be Ambassador Extraordinary and Plenipotentiary of the United States to the Philippines. He would replace David Newsom, who has been transferred to another post.

Murphy was born July 29, 1929, in Boston, Mass. He received a B.A. from

Harvard University in 1951 and an A.B. from Cambridge University in 1953. He served in the U.S. Army from 1953 to 1955.

Murphy was consular and administrative officer in Salisbury from 1955 to 1958 and took Arabic language and area training from 1958 to 1960. He was economic officer in Aleppo from 1960 to 1963, and political officer in Jidda from 1963 to 1966. From 1966 to 1968, he was political officer in Amman.

From 1968 to 1970, Murphy was personnel placement officer, then Assistant Executive Director for personnel, in the Bureau of Near Eastern and South Asian Affairs. In 1970 and 1971, he was Country Director for the Office of Arab Peninsula Affairs. He was Ambassador to Mauritania from 1971 to 1974, and since 1974 has been Ambassador to the Syrian Arab Republic.

## Distributive Education Clubs of America

*Remarks on Greeting National and State Officers of the Organization. May 11, 1978*

THE PRESIDENT. This is a very pleasant sight for me. Most of the time I just see the ones behind me. Sometimes it's pleasant; sometimes it's not. [*Laughter*]

We've had a very good first 15 or 16 months here in the White House as your President. I want to thank you for your interest in government and for your interest in the system that underlines and underlies and supports our government.

We didn't have distributive education when I was a child and a student in grammar school and high school. The only vocational program we had was in agriculture, and I was a student there. But I learned a lot about marketing and man-



agement, merchandising as a student then. I began to sell boiled peanuts when I was 5 years old. [Laughter] It was a lot of hard work, and I very carefully saved my money. And after 3 full years, 4 full years of selling boiled peanuts and not spending any of the money, I had saved up enough in 1933 to buy five bales of cotton. Cotton got down to 5 cents a pound; peanuts were only 1 cent a pound.

I bought five bales of cotton, and I kept it until it went up to 18 cents. Then I sold that as a high school student, and I bought five houses. I bought five houses for \$800 total. Every month I would go around on my bicycle. Some of them were in the country, some of them were in Plains, in the metropolitan area. [Laughter] The total rent off all five houses was \$16.

I learned then how important it was for me to participate in the free enterprise system. I probably could not have defined it then, but the more I've lived and the more I've learned about our great country, the more I see that what you do and the other 185,000 members of DECA do is illustrative of the crucial difference between our own system of government and our system of marketing, merchandising, as contrasted to the so-called planned economies of the Socialist and Communist nations.

You represent freedom in its finest sense—the right of an individual to make one's own decision about a lifestyle and a life commitment, a willingness to participate in building the strength of our Nation without unwarranted government intrusion or government interference in the making of decisions on a daily basis, or even more often.

And I'm very proud of what you do to contribute to our country. I hope that you will continue to expand your own interests outside of a fairly narrowly defined

commitment just in the grammar school, high school, or college classroom area, even extend it.

I know in Georgia, for instance, the distributive education students have taken on a special project of exposing and helping to control shoplifting, a very strong contribution to controlling crime in our country. There might be equivalent opportunities in all the States of our Nation.

I am also aware of how good your own experience in distributive education pays off in your own life. Ninety percent of all the distributive education students go on beyond high school to a higher education. I wish this was the case with all students in our country; it's not. And so you've set an example in that respect as well and give your own present life and your own future families an opportunity that you wouldn't otherwise have, not just to make a higher income but to have a life that's more exciting, more challenging, more compatible with the finest aspects of our country.

I wish the Rose Garden was large enough to hold all 6,000 delegates—no, I don't. [Laughter] Let me say as an alternative, I hope that you will relay my best wishes to all the 6,000 delegates who are at the convention and to the other 180,000, who are back home looking to you for leadership presently and in the future.

But as President of our great country, I'm proud to welcome you to the White House, to the center of our Government. And I know that the group of Members of Congress behind me and many more like them who have joined in an additional commitment to making sure that your program is well formed, well financed, and well publicized, and that the beneficial aspects of it are enhanced, join me in congratulating you on a superb achievement in your own life already. And best wishes for an even greater life,

leading to an even greater country in the years ahead.

Thank you very much.

HARRY A. APPLGATE. Mr. President, ever since Congress created attention to this instructional phase of education, we believe we have met the challenge with a very successful program. But the uniqueness of it has been our insistence on cooperation and placement with the private sector. We continue a national advisory board, which consists of representatives of some 60 major corporations in the Nation, and we continue a congressional advisory board, with some 30 Members of the Senate and the House, continuing to help guide and direct us in that effort.

It is our pleasure to be here this morning. And on behalf of the delegation and the national officers, we sincerely appreciate your interest and your show of support. It's our pleasure to be here.

I would like to introduce to you our national president, Ken Conner, who has a presentation to make.

THE PRESIDENT. Thank you, Mr. Applegate.

MR. CONNER. Mr. President, on behalf of the 180,000 Distributive Education Clubs of America members across the country, we'd like to present you with this official DECA cardigan. Since you have brought the cardigan back into style lately—[*laughter*—we thought it would be appropriate, and we hope that you will wear it with our support.

We also appreciate the support that your administration has given us, and we hope to continue that support in the years to come.

Thank you very much.

THE PRESIDENT. This might inspire me to make another fireside chat. [*Laughter*]

I might say that it would be a mistake for me to lose an opportunity again to em-

phasize the crucial support and the staunch support in the Congress for your program. And I believe that the presence here of many of the key Members of the Congress this morning is indicative of that support. I know how much it means to me to have their experience, their background, and their strong partnership in trying to shape a greater country. And I particularly want to thank the Members of Congress for being here.

And, Ken, this is a gift that I will wear with pride and appreciation. It will be a constant reminder to me of what you all mean to me personally and what you mean to our country, now and in the future.

Thank you very much again.

You all have a good time in Washington.

NOTE: The President spoke at 10:15 a.m. in the Rose Garden at the White House. Harry A. Applegate is executive director of the Distributive Education Clubs of America, and Robert Kenneth Conner is president of the organization's high school division.

## Mother's Day, 1978

*Proclamation 4570. May 11, 1978*

*By the President of the United States  
of America*

### A Proclamation

Motherhood is a lifelong commitment.

It is a promise to share in fulfilling all the unique potential of a helpless newborn child, and to shape that person into an independent, responsible adult. For some, motherhood means guiding bright minds, strong bodies, and exquisite talents—maintaining a delicate balance between humanity and the special gifts of

God. For others, motherhood means helping a weak body or an unawakened mind overcome burdens that may often seem too great to bear. For both, motherhood brings the privilege of seeing the tired world through fresh eyes and the satisfaction of knowing that one has met another's needs in a way no other could.

To the mothers of America, in recognition of their achievements in the art of raising a new generation of Americans and as an acknowledgment of all they have done to shape our national character, the Congress, by joint resolution of May 8, 1914 (38 Stat. 770; 36 U.S.C. 141), has set aside the second Sunday in May of each year as a day of special tribute.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby request that Sunday, May 14, 1978, be observed throughout our nation as Mother's Day. I ask all Americans to take this opportunity to express their personal gratitude to their own mothers and to thank all those women whose tireless devotion to their families has so enriched our nation.

I ask all public officials to display the flag of the United States on all government buildings and urge all Americans to display our flag at their homes or other suitable places on that day as a public expression of our love for the mothers of our country.

IN WITNESS WHEREOF, I have hereunto set my hand this eleventh day of May, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
12:17 p.m., May 11, 1978]

## Federal Statistical System

*Memorandum From the President.  
May 11, 1978*

*Memorandum for the Heads of Executive  
Departments and Agencies*

*Subject: Review of the Federal Statistical System*

I have directed my Reorganization Project staff to perform a comprehensive review of the organization of the system that collects, evaluates and disseminates statistical data for the Federal government.

This Nation has the most accurate and efficient statistical system in the world. But a number of persistent problems—including the burden placed upon respondents and the responsiveness of data to policy needs—indicate a pressing need to improve the coordination of Federal statistical activities, which are growing at an increasing rate.

The study will use to the maximum extent the work that has been done in previous efforts. During the course of the study the project staff will be seeking the advice and support—including staff assistance and other resources—of many of the agencies that are part of our statistical system. I trust you will cooperate to the fullest extent possible. In addition to Federal agencies, the project will need the advice and counsel of the Congress, State and local governments and the public.

To ensure that all affected parties are informed, I have directed that this memorandum be published in the FEDERAL REGISTER.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
10:58 a.m., May 12, 1978]

## Industrial Innovation

***Announcement of Establishment of an Interagency Committee. May 11, 1978***

The President announced today that he has established an interagency committee to conduct a comprehensive review of issues and problems related to industrial innovation. Substantial public involvement—including industry, small business, labor, and consumers—is planned.

Innovation provides a basis for the Nation's economic growth. It is closely related to productivity and to the competitiveness of U.S. products in domestic and world markets. Efforts to enhance innovation in industry may lead to an improved economic climate in the United States.

In recent years, private sector research and development has concentrated on low-risk, short-term projects directed at improving existing products. Emphasis on the longer term research that could lead to new products and processes has decreased.

Although the development of new products or processes is primarily the responsibility of the private sector in the United States, Federal policies have a profound impact on the innovation process. In light of the central role of innovation in economic development, Federal policies on the economy, taxes, regulations, procurement, and foreign relations which affect innovation will be carefully examined in the study.

The review will be accomplished under the procedures established by the Domestic Policy Review system and is to make its recommendations within 14 months. The interagency committee will be chaired by the Secretary of Commerce. Other members include the Secretaries of Defense, Treasury, HEW, and Energy,

the Attorney General, the Administrator of the National Aeronautics and Space Administration, the Administrator of the Environmental Protection Agency, the Director of the National Science Foundation, the Director of OMB, the Chairman of the Council of Economic Advisers, the Assistant to the President for National Security Affairs, the Special Representative for Trade Negotiations, and the Science and Technology Adviser to the President.

## President's Export Council

***Appointment of Emile R. Bussiere and Mark Hasten as Members. May 11, 1978***

The President today announced the appointment of two persons as members of the President's Export Council. They are:

EMILE R. BUSSIERE, of Manchester, N.H., an attorney and owner of a real estate company; MARK HASTEN, of Indianapolis, co-owner of an Indiana health care company providing nursing care in six communities.

The Export Council was established by Executive order in 1973 to advise the President on matters relating to export trade. It has 22 members and is part of the Commerce Department.

## Appointments Secretary to the President

***Appointment of Phillip J. Wise, Jr. May 11, 1978***

Phil Wise, named today as Appointments Secretary to the President, moves to that position from his work as Deputy Appointments Secretary.

Wise, 27, is a native of Plains, Ga., and is a 1973 graduate of the Georgia Institute of Technology, from which he holds a B.S. in industrial management.

Wise was assistant director of the Georgia intern program from June 1973 until January 1975. The program annually designed and coordinated more than 600 internships in State government for Georgia college students.

He joined the Carter Presidential campaign in January 1975, became the campaign's Florida field coordinator in June 1975, and remained in the Florida position until the March 9, 1976, primary.

Wise subsequently was the campaign's field coordinator for the States of Wisconsin, Maryland, and New Jersey, and worked in the Pennsylvania campaign. During the general election, he was coordinator of the campaign in the Southern States.

Wise worked in the Carter-Mondale transition office, and later traveled extensively in Europe before being named Deputy Appointments Secretary in August 1977.

## Deputy Appointments Secretary to the President

*Appointment of Frances M. Voorde.  
May 11, 1978*

The President today announced the appointment of Fran Voorde as Deputy Appointments Secretary. She has served since January 1977, as Director of Scheduling at the White House.

Voorde, 38, was born in South Bend, Ind. She is a graduate of St. Mary's College, Notre Dame, where she received a B.A., and of George Washington University, where she received an M.A. in history and diplomatic history.

From 1961 to 1964, she worked as personal and appointments secretary to Representative J. Edward Roush, and from 1965 to 1971, she was executive secretary to Senator Birch Bayh. She served as director of scheduling and assistant political director in Bayh's 1971 Presidential campaign. She was scheduling and advance coordinator in Sargent Shriver's 1972 Vice-Presidential campaign.

Voorde was assistant chief of the Office of Records and Registration of the U.S. House of Representatives from 1972 to 1975, and from 1975 to 1976, she was a special assistant in the Office of Disclosure and Compliance of the Federal Election Commission.

In August of 1976 she served as deputy director of the office of voter registration at the Democratic National Committee. She joined the Carter campaign in September of 1976 as director of scheduling and advance.

## Department of Justice

*Nomination of Philip B. Heymann To Be an  
Assistant Attorney General. May 11, 1978*

The President today announced that he will nominate Philip B. Heymann, of Belmont, Mass., to be an Assistant Attorney General. He would replace Benjamin Civiletti, who has been appointed Deputy Attorney General.

Heymann was born October 30, 1932, in Pittsburgh, Pa. He received a B.A. from Yale University in 1954 and an LL.B. from Harvard Law School in 1960. He served in the U.S. Air Force from 1955 to 1957.

From 1961 to 1965, Heymann was a trial attorney in the Office of the Solicitor General at the Justice Department. He was at the Bureau of Security and

Consular Affairs at the State Department from 1965 to 1967, serving as Deputy Administrator, then Acting Administrator.

In 1967 Heymann was Deputy Assistant Secretary of State for the Bureau of International Organizations, and from 1967 to 1969, he was executive assistant to the Under Secretary of State. During 1969 Heymann was with the Legal Aid Agency of the District of Columbia.

Since 1969 Heymann has been a professor of law at Harvard Law School. In the summers of 1973, 1974, and 1975, he was associate prosecutor and consultant to the Watergate Special Prosecution Force.

## Nuclear Non-Proliferation

**Executive Order 12058. May 11, 1978**

### FUNCTIONS RELATING TO NUCLEAR NON-PROLIFERATION

By virtue of the authority vested in me by the Nuclear Non-Proliferation Act of 1978 (Public Law 95-242, 92 Stat. 120, 22 U.S.C. 3201) and the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 *et seq.*), and Section 301 of Title 3 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. *Department of Energy.* The following functions vested in the President by the Nuclear Non-Proliferation Act of 1978 (92 Stat. 120, 22 U.S.C. 3201), hereinafter referred to as the Act, and by the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 *et seq.*), hereinafter referred to as the 1954 Act, are delegated or assigned to the Secretary of Energy:

(a) That function vested by Section 402(b) of the Act (92 Stat. 145, 42 U.S.C. 2153a).

(b) Those functions vested by Sections 131a(2)(G), 131b(1), and 131f(2) of the 1954 Act (92 Stat. 127, 42 U.S.C. 2160).

(c) That function vested by Section 131f(1)(A)(ii) of the 1954 Act to the extent it relates to the preparation of a detailed generic plan.

SEC. 2. *Department of State.* The Secretary of State shall be responsible for performing the following functions vested in the President:

(a) Those functions vested by Sections 104(a), 104(d), 105, 403, 404, 407, and 501 of the Act (92 Stat. 122, 123, 123, 146, 147, 148, and 148, 22 U.S.C. 3223(a), 3223(d), 3224, and 42 U.S.C. 2153b, 2153c, 2153e, and 22 U.S.C. 3261).

(b) That function vested by Section 128a(2) of the 1954 Act (92 Stat. 137, 42 U.S.C. 2157(a)(2)).

(c) That function vested by Section 601 of the Act to the extent it relates to the preparation of an annual report.

(d) The preparation of timely information and recommendations related to the President's functions vested by Sections 126, 128b, and 129 of the 1954 Act (92 Stat. 131, 137, and 138, 42 U.S.C. 2155, 2157, and 2158).

(e) That function vested by Section 131c of the 1954 Act (92 Stat. 129, 42 U.S.C. 2160(c)); except that, the Secretary shall not waive the 60-day requirement for the preparation of a Nuclear Non-Proliferation Assessment Statement for more than 60 days without the approval of the President.

SEC. 3. *Department of Commerce.* The Secretary of Commerce shall be responsible for performing the function vested in the President by Section 309(c) of the Act (92 Stat. 141, 42 U.S.C. 2139a).

SEC. 4. *Coordination.* In performing the functions assigned to them by this Order, the Secretary of Energy and the Secretary of State shall consult and co-

ordinate their actions with each other and with the heads of other concerned agencies.

SEC. 5. *General Provisions.* (a) Executive Order No. 11902 of February 2, 1976, entitled "Procedures for an Export Licensing Policy as to Nuclear Materials and Equipment," is revoked.

(b) The performance of functions under either the Act or the 1954 Act shall not be delayed pending the development of procedures, even though as many as 120 days are allowed for establishing them. Except where it would be inconsistent to do so, such functions shall be carried out in accordance with procedures similar to those in effect immediately prior to the effective date of the Act.

JIMMY CARTER

The White House,  
May 11, 1978.

[Filed with the Office of the Federal Register,  
10:26 a.m., May 15, 1978]

NOTE: The Executive order was announced by the White House on May 12.

## Budget Rescission and Deferrals

*Message to the Congress. May 12, 1978*

*To the Congress of the United States:*

In accordance with the Impoundment Control Act of 1974, I herewith report one proposal to rescind \$30.0 million in budget authority previously provided by the Congress. In addition, I am reporting four new deferrals of budget authority totalling \$55.1 million and two revisions to previously transmitted deferrals increasing the amount deferred by \$0.7 million in budget authority.

The rescission proposal affects the Department of Agriculture's drought and flood assistance program. The new deferrals and revisions to existing deferrals involve programs in the Departments of

Commerce, Energy, and the Interior, the Corps of Engineers, and the International Communication Agency.

The details of the rescission proposal and the deferrals are contained in the attached reports.

JIMMY CARTER

The White House,  
May 12, 1978.

NOTE: The attachments detailing the rescission and deferrals are printed in the FEDERAL REGISTER of May 18, 1978.

## United Nations Trusteeship Council

*Appointment of Stoney Cooks as U.S. Representative to the 45th Session. May 12, 1978*

The President today announced the appointment of Stoney Cooks as Representative of the United States to the 45th Session of the Trusteeship Council of the United Nations, to be held in New York from May 15 to June 9.

Cooks, 35, is executive assistant to U.N. Ambassador Andrew Young. From 1972 to 1977, he was administrative assistant to then-Congressman Young. From 1970 to 1972, he was executive director of the Southern Christian Leadership Conference.

## National Council on Educational Research

*Nomination of Five Members. May 12, 1978*

The President today announced five persons whom he will nominate to be members of the National Council on Educational Research. They are:

ALONZO A. CRIM, of Atlanta, superintendent of the Atlanta public schools, adjunct professor at the University of Georgia and Atlanta University, and educational consultant;

BETSY LEVIN, of Chapel Hill, N.C., professor of law at Duke University and specialist in legal aspects of education and educational finance;

CARL H. PFORZHEIMER, JR., of Purchase, N.Y., senior partner in Carl H. Pforzheimer & Co., in New York City, and vice chancellor of the New York State Board of Regents;

CATHERINE STIMPSON, of Bellingham, Wash., a schoolteacher and member of the board of trustees of Whatcom Community College;

WILSON C. RILES, of Sacramento, Calif., superintendent of public instruction for the State of California.

## Middle East Arms Sales

*Letter to Members of Congress. May 12, 1978*

The motion in the Senate next Monday to block all of the proposed aircraft sales to Israel, Egypt, and Saudi Arabia presents a vital test of our national purpose. In the hours before the Senate votes, it is my duty as President to draw attention to the powerful reasons supporting each of the sales and the dire consequences of rejecting them.

Our basic goal is to secure peace, stability, and harmonious relations among the nations of the Middle East. Since becoming President, I and my chief foreign policy advisers have spent more of our time and effort on this subject than any other foreign policy issue.

The number of aircraft proposed for each of the countries has been carefully considered to insure a regional balance, but the decision before the Senate transcends the particular transactions.

The choice is stark and fundamental. Shall we support and give confidence to those in the Middle East who work for moderation and peace? Or shall we turn

them aside, shattering their confidence in us and serving the cause of radicalism?

It is my considered judgment that the aircraft sales to Egypt are essential to enable President Sadat to continue his efforts for peace. At great personal and political risk, President Sadat has taken an initiative which has created the best prospects for peace in the Middle East in three decades. With similar risks, he has turned away from a relationship with the Soviet Union and placed his trust in the United States.

To reject the proposed aircraft sale to Egypt would be a breach of that trust. Such a rejection would be a devastating blow to President Sadat, to the military forces of Egypt, to the people of Egypt, and to the forces of moderation in the Middle East.

Saudi Arabia has become a firm friend of the United States. As its influence dramatically expands in the world, Saudi Arabia has been not only a firm supporter of the peace process but a moderating and conciliatory force on a wide range of global issues.

It is beyond challenge that the Saudi air defense system must be modernized and augmented. The United States has an opportunity through these proposed sales to enhance its relationship with the Saudis as they take these vital steps to defend themselves against their radical neighbors armed by the Soviet Union. But I must tell you with great gravity that it is an opportunity that we will quickly lose if we do not grasp it immediately.

If the Saudis are forced to turn elsewhere to meet their defense needs, it will unquestionably impair the peace process. Moreover, the erosion of confidence will inevitably have a far broader—and adverse—impact on the wide range of issues on which we have been working in close harmony.



The aircraft sales to Israel are a reflection of our strong and unshakeable commitment to the security of Israel. The American people fully understand that our commitment to Israel's survival and security is total, unequivocal, and firmly fixed in our national policy.

The long-term interests of Israel are served by the proposed sales to Egypt and Saudi Arabia. It is in Israel's interest to encourage the forces of moderation in the Middle East, and to promote their close relationship with the United States. It would not serve Israel's interest if we were to fail to keep bi-partisan commitments, made by the prior Administration as well as by mine, to provide aircraft for the defense of Saudi Arabia. It would be against Israel's interest if moderate nations are brushed aside by the United States, opening vast possibilities for the intrusion of hostile influences.

In the end, the national interest of the United States is the issue. On the basis of the most careful and serious analysis of all factors, I am convinced that the proposed sales will enhance U.S. national objectives, contribute to our national security, and promote peace in the Middle East.

JIMMY CARTER

NOTE: This is the text of identical letters addressed to each Member of the Senate; Thomas P. O'Neill, Jr., Speaker of the House of Representatives; and Clement J. Zablocki, chairman, and William S. Broomfield, ranking minority member, House Committee on International Relations.

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the pe-

riod covered by this issue. Events and announcements printed elsewhere in the issue are not included.

*May 8*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- the Cabinet;
- Mrs. Marcelyn Makela and Dr. Philip Itkoff, Multiple Sclerosis Mother and Father of the Year.

The President transmitted to Congress the first annual report on the administration of the National Sickle Cell Anemia, Cooley's Anemia, Tay-Sachs, and Genetic Diseases Act.

*May 9*

The President met at the White House with:

- Dr. Brzezinski;
- Adm. Stansfield Turner, Director of Central Intelligence, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski;
- Alan K. Campbell, Chairman of the U.S. Civil Service Commission, and Senators Abraham Ribicoff of Connecticut, Jacob K. Javits of New York, Charles H. Percy of Illinois, and James R. Sasser of Tennessee;
- James T. McIntyre, Jr., Director of the Office of Management and Budget.

The President attended a portion of the breakfast held in the State Dining Room at the White House for Secretary of Labor F. Ray Marshall, Members of Congress, and officers and members of national labor organizations.

The President hosted a reception for the Democratic National Committee Executive Group in the East Garden at the White House.

The President declared a major disaster for the State of Louisiana as a result of severe storms and flooding, beginning about May 3, which caused extensive public and private property damage.

*May 10*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- the Joint Chiefs of Staff;
- General Services Administrator Joel W. Solomon.

The President met in the Indian Treaty Room at the Old Executive Office Building with Ambassador Robert S. Strauss and officers of the AFL-CIO and the UAW, to discuss inflation.

The President greeted officers, the board of directors, and members of the American Retail Federation in Room 450 of the Old Executive Office Building.

*May 11*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- members of the Congressional Hispanic Caucus;
- leaders of environmental groups.

The President announced the appointment of John P. Condon as the Representative of the United States on the South Pacific Commission. Condon is U.S. Ambassador to the Dominion of Fiji.

The President has appointed Carol W. Trencher as Chairman of the Advisory Committee to the Pension Benefit Guaranty Corporation. She was appointed a member of the Board of Directors of the Corporation in March.

*May 12*

The President met at the White House with:

- Vice President Walter F. Mondale, Secretary of State Cyrus R. Vance, Dr. Brzezinski, and Mr. Jordan;
- Mr. Moore;
- Charles L. Schultze, Chairman of the Council of Economic Advisers;
- Senator Gary Hart of Colorado;
- representatives of the Hispanic media (transcript will be printed next week).

The President has invited the President of the Republic of France, Valéry Giscard d'Estaing, to Washington for a working dinner on Friday, May 26. President Giscard d'Estaing will be in the United States on the occasion of his trip to New York for the Special Session of the United Nations General Assembly on Disarmament.

The President has appointed John M. Sullivan as Chairman of the U.S. National Commission in the Pan American Railway Congress Association. Sullivan is Administrator of the Federal Railway Administration.

The President departed the White House for a weekend stay at Camp David, Md.

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**NOMINATIONS SUBMITTED  
TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

**Submitted May 9, 1978**

DUANE C. SEWELL, of California, to be an Assistant Secretary of Energy (Defense Programs) (new position).

JAMES WILLIAMS YANCEY, of Arkansas, to be a member of the Mississippi River Commission for a term of 9 years, vice Harold T. Council, retired.

**Submitted May 10, 1978**

MARY JOHNSON LOWE, of New York, to be United States District Judge for the Southern District of New York, vice John M. Cannella, retired.

**NOMINATIONS—Continued**

**Submitted May 10—Continued**

WALTER M. HEEN, of Hawaii, to be United States Attorney for the District of Hawaii for the term of 4 years, vice Harold M. Fong.

RUFUS E. THOMPSON, of New Mexico, to be United States Attorney for the District of New Mexico for the term of 4 years, vice Victor R. Ortega, resigned.

ISHMAEL A. MEYERS, of the Virgin Islands, to be United States Attorney for the District of the Virgin Islands for the term of 4 years, vice Julio A. Brady, resigned.

DAVID GAY GARTNER, of Virginia, to be a Commissioner of the Commodity Futures Trading Commission for the term expiring April 13, 1982, vice John Vernon Rainbolt II, term expired.

The following-named persons to be members of the Board of Directors of the Inter-American Foundation for the terms indicated:

*For the remainder of the term expiring  
September 20, 1980*

ARNOLD NACHMANOFF, of Virginia, vice John Richardson, Jr., resigned.

*For a term expiring September 20, 1982*

ALBERTO IBARGUEN, of Connecticut, vice George Cabot Lodge, term expired.

PETER TAYLOR JONES, of California, vice Augustin S. Hart, Jr., term expired.

CAROLYN R. PAYTON, of the District of Columbia, vice William D. Rogers, resigned.

**Submitted May 11, 1978**

RICHARD W. MURPHY, of Maryland, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Philippines.

TERENCE A. TODMAN, of the Virgin Islands, a Foreign Service officer of the Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain.

**Submitted May 12, 1978**

PETER F. VAIRA, JR., of Illinois, to be United States Attorney for the Eastern District of Pennsylvania for the term of 4 years, vice David W. Marston.

PHILIP B. HEYMANN, of Massachusetts, to be an Assistant Attorney General, vice Benjamin R. Civiletti, elevated.

**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released May 6, 1978**

Fact sheet: equal employment opportunity enforcement reorganization plan (No. 1 of 1978)

**Released May 8, 1978**

Announcement: issuance of an honorable discharge to Calvin Graham

**Released May 9, 1978**

Announcement: nomination of Mary Johnson Lowe to be United States District Judge for the Southern District of New York, Walter M. Heen to be United States Attorney for the District of Hawaii, Ishmael A. Myers to be United States Attorney for the District of the Virgin Islands, and Rufus E. Thompson to be United States Attorney for the District of New Mexico

**Released May 11, 1978**

Announcement: nomination of Peter F. Vaira, Jr., to be United States Attorney for the Eastern District of Pennsylvania

**Released May 12, 1978**

Statement: Federal budget and tax policy (as read by Charles L. Schultze, Chairman of the Council of Economic Advisers, at his news conference)

News conference: on Federal budget and tax policy—by Dr. Schultze

Text: letter to John Sparkman, chairman of the Senate Foreign Relations Committee, on the sale of F-15's to Saudi Arabia—by Secretary of Defense Harold Brown

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved May 8, 1978**

S. 1617----- Public Law 95-273  
National Ocean Pollution Research and Development and Monitoring Planning Act of 1978.

**Approved May 10, 1978**

S.J. Res. 106----- Public Law 95-274  
A joint resolution to provide for the reappointment of A. Leon Higginbotham, Junior, as a citizen regent of the Board of Regents of the Smithsonian Institution.

*Administration of Jimmy Carter, 1978*

**ACTS APPROVED—Continued**

**Approved May 10—Continued**

- S.J. Res. 107----- Public Law 95-275  
A joint resolution to provide for the reappointment of John Paul Austin as a citizen regent of the Board of Regents of the Smithsonian Institution.
- S.J. Res. 108----- Public Law 95-276  
A joint resolution to provide for the appointment of Anne Legendre Armstrong as citizen regent of the Board of Regents of the Smithsonian Institution.

**ACTS APPROVED—Continued**

**Approved May 12, 1978**

- S. 2220----- Public Law 95-277  
An act to authorize the Secretary of the Treasury to designate an Assistant Secretary to serve in his place as a member of the Library of Congress Trust Fund Board.
- S. 917----- Public Law 95-278  
An act to provide for conveyance of certain lands adjacent to the Gund Ranch, Grass Valley, Nevada, to the University of Nevada.
- S. 958----- Private Law 95-36  
An act for the relief of Ernesto F. Garcia, Junior.

# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, May 19, 1978

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## Interview With the President

*Remarks and a Question-and-Answer Session  
With Representatives of the Hispanic  
Media. May 12, 1978*

THE PRESIDENT. Hi, everybody. Thank you very much.

Ordinarily, I start out my meeting with the editors from around the country by emphasizing the most important things that we are addressing at the current moment, just to illustrate what a President does, and then I'll spend all the time that we have available answering your questions.

### ADMINISTRATION POLICIES

The most important issue to me right now and for the next few days, by far, is the Middle East arms sales question. We've got, I think, the interest of our own Nation at stake. As you know, one of the most important issues involved in the Mideast arms sales is what will happen to our relationship with President Sadat.

He has taken a worldwide, preeminent stand in searching for peace in the Middle East, at great danger to himself politically. He's separated himself from a dependence on the Soviet Union concerning weapons sales to defend Egypt—not against Israel, in particular, but against some of his African neighbors. And I

think if the Mideast arms sales proposal is rejected, it would be a terrible blow to President Sadat in his own country and to our relationships with him.

And as you know, both I and my predecessors here on a bipartisan basis have a longstanding commitment to the Saudi Arabians and to the Israelis for this relatively modest arms sales package.

The Saudis had a choice given to them by President Ford and Secretary Kissinger on what type of plane they wanted. They chose the more defensive configuration on the F-15 and the more defensive weapon, which is the F-15, compared to the F-16, primarily an offensive plane.

We consider this a very important issue. I think it's in Israel's best interest to have us be trusted and have friendship with the moderate Arab leaders. We don't want to drive them away from us, to have to turn to some other source of supply for legitimate defensive capability.

My commitment to reduce on an annual basis our total conventional arms sales will be carried out. And we've initiated this past few days, for the first time, direct bilateral negotiations with the Soviet Union, trying to bring them into harmony with us in cutting down on the total quantity of conventional weapons sold around the world.

We've got many other problems that we are addressing now. I'd say the most

important domestic issue, overwhelmingly, in the minds of the American people, the Congress, and myself, is to control inflation.

We've had remarkable success, unprecedented and unanticipated success in cutting down on the unemployment rate the last 16 months. We've added a net total of 5½ million jobs since I've been in office, because of the good work of the Congress and a very good working relationship with the private sector and the natural inclination of American people of all kind to work if they have a chance to hold a job.

The unemployment rate, as you know, has dropped about 2 percent. But the first 4 months of this year, we've had disturbing reports on inflation trends which really hurt the poor and the fixed income, the retired, the lower wage level workers in our country more than anyone else.

And we are trying to get the private sector, both professional people—accountants, doctors, lawyers, others—to hold down on their own salary increases, their charges.

I met with the retail merchants of the country, the American Federation of Retail Merchants, this week. I met with the leaders of the labor movements this week, and last week met with the leaders of the business community, to try to get them to join with us not with wage and price controls, mandated, but with a voluntary commitment on their part to cut down on the rate of increase of wages and prices, other charges, below what it was the last 2 years.

In other words, '78 would be lower than the average of the last 2 years—not a difficult thing for them to do if we all work in harmony.

Each group, I think, has some concern about what everybody else is going to do. Nobody wants to make a unilateral effort

at some sacrifice to them if they think the Government is going to go ahead and spend too much money or the deficit is going to grow, or labor is not going to help if they don't think business will help also. So, I think we can make some progress there.

We are trying to deal with the Federal bureaucracy, which is a difficult thing for any administrator. And I think our civil service reform proposal is a keystone to all the reorganization that I will do while I'm in office.

It also is crucial in the employment of minority American citizens and also women. As you know, we have a very low percentage of Spanish-speaking Americans who are employed by the Federal Government. We have a very low percentage of other minority groups and also women who are employed by the Federal Government.

And the major obstacle to improving this record is the ancient civil service laws that won't let a qualified person be employed. Now, for instance, if we have an opening in Houston, Texas, and a Mexican American citizen scored a hundred on the test, they might very well be 50th on the list of people to get the job because of many reasons, one of which is veterans preference.

I happen to be a veteran and there are tens of millions of Americans who are also veterans like myself. But I see no reason for a person who serves 20 years in the Navy, who retires as a commander, who has a very good retirement income guaranteed for life, to come in and bump a person off the employment list for a Federal job just because he served, to his advantage, in the Navy.

We are preserving the veterans preference for those who have served within the last 10 years. This would take care of all those who have served in the Vietnam war, and for those who are disabled.

So, I would say those three items right now are the things that are most important to me—the Mideast arms sales over this weekend and Monday morning in the Senate, the civil service reform, and dealing with the inflation problem.

I won't take any further time. And I might say I came in a little bit late because I was busy on the telephone, but I'll make the time up to you. And I would like to finish, after I've been in here 25 minutes, so that—if you don't have any objection—I can get a photograph with each one of you.

### QUESTIONS

#### SOVIET-CUBAN INFLUENCE IN AFRICA

Q. Mr. President, what does the United States plan to do in practice to denounce and to counter the Soviet-Cuban influence in Africa, besides your warnings?

THE PRESIDENT. Well, when you say besides the warnings, that covers a lot of territory. I have let Brezhnev know directly from me to him, plus through his own Ambassador and Secretary of State Vance when he was there, that the Soviets' continuation of intrusion into Africa with military forces was a major obstacle to trust on the part of the American people that the Soviets want peace and want to have a successful détente effort.

We have aroused as much as we can the developing nations' and the non-aligned nations' leaders to intercede with the Soviets and with Cuba. I think that we've done the best we could among the African nations, particularly the black African nations, to let them know that they are capable and ought to be granted the right to settle their own disputes among themselves. We've done all we could to strengthen the Organization of African Unity and encourage the leaders therein to move aggressively to resolve

the disputes that might exist among African people, among themselves, and not call on the Cubans or the Soviets from outside to take a stand.

You might get from Jody, in order to save time now, a more lengthy and definitive answer that I gave at the townhall meeting in Portland [Spokane] this week, where I went into some detail about the Soviets' normal operating procedure. If there is a dispute in a country, unfortunately, they will provide weapons much more quickly and eagerly than will we. And for a limited period of time, they are able to get some influence in that country because of that supply of weapons. But on the long-term basis, I think that our own relationship with them, with the African people, our absence of racism against black people now, our commitment to economic aid rather than military aid, would be a very significant factor.

The other thing that is important is religion. The Soviets are atheistic, and most of the leaders in Africa are deeply religious people. They may be Christian, they may be Moslem, or otherwise. But I think they have a natural distrust of atheists.

So, all those points, you know, are pertinent. But we let the Soviets know that although we want to have peace with them, we're willing to compete peacefully, we're not afraid of them, our military strength will be maintained, their intrusion into Africa is both unnecessary, unwarranted, and tends to convince the American people that the Soviets are not sincere in their commitment to détente and their search for peace.

#### UNDOCUMENTED ALIENS; ECONOMIC CONDITIONS IN MEXICO

Q. Mr. President, your proposals for controlling the illegal immigration have

been criticized by Latino groups on several points. One of the main criticisms, however, is that the immigration package is a series of palliatives which will do little to attack the fundamental causes of that illegal immigration, that is, underdevelopment in these so-called sending countries, particularly in Latin America. Now, the question is, why does your immigration package say so little about economic development in Mexico and the rest of Latin America? And as a followup to that, what specifically will you be doing in the future to correct the apparent or at least perceived shortcomings?

THE PRESIDENT. To answer your question very briefly, the Judiciary Committees, which are responsible for legislation concerning undocumented workers, are not charged with economic development in a foreign country. The legislation specifically is not related to economic development, so you can't put it in the same legislative proposal. But we are working very hard with the Mexicans—for instance, myself with López Portillo; we've been together a couple of times. My wife has been down there to spend time with López Portillo. Secretary Vance has just recently returned; Mike Blumenthal has just come back from Mexico City.

We've had delegations formed, as a result of my meetings with López Portillo around this table, representing our Department of Commerce, our Treasury Department, Agriculture Department, State Department, to work with his Ministers on enhancing the economic prospects in Mexico for the future. We've been very supportive of Mexico, in addition, in their need for developing products to export. Petroleum products is a major example; agricultural products is another.

We've tried to reduce the obstacles at the borders for the free trade that ought to exist between our countries that would help economically. We've also tried to

help Mexico qualify for and we've been supportive of Mexico's needs for long-range loans from the World Bank and the Regional Banks, the IMF.

So, we're very much aware that the permanent solution, or at least partial solution to the undocumented workers' problem is better economic conditions in Mexico. The reason that we haven't combined that facet in the undocumented workers legislation is that that goes to the Judiciary Committee, which has no responsibility for economic development.

#### CUBAN INVOLVEMENT IN AFRICA

Q. Mr. President, appealing to the principle of open policy in your administration, what options do we have to stop this outrageous escalation of Communist troops in Africa? Also, what options do we have to terminate this type of situation emanating from Communist Cuba?

THE PRESIDENT. Well, as you know, I have let it be clear that we want better relationships with Cuba. But the unnecessary and excessive use of military force by Castro all over the African continent, to some degree, lately, in the Middle East, like in South Yemen, has indicated to me that he has not abandoned the interest that Cuba has to subvert other (government)<sup>1</sup> people through military means.

As you know, he was unsuccessful in doing so in South America, although he made a strong effort there and in Central America. And now I think he's moved his emphasis to Africa.

There is no possibility that we would see any substantial, further improvement in our relationship with Cuba as long as he's committed to this military intrusion policy in the internal affairs of African people.

There's no doubt in my mind that

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<sup>1</sup> Printed in the transcript.



Cuba is used by the Soviet Union as surrogates in several places in Africa. Castro, instead of reducing troop placements in Africa, has grossly increased the number of troops in several countries in Africa recently. Our information, which I think is accurate, is that in many instances he offers additional troops to countries that refuse them.

So, we have no diplomatic relations with Cuba, as you know, we have trade offices only. And we have let—I don't communicate directly with Castro—but we have let him know through people who go from here to Cuba and through other means about our strong opposition to his policy.

My information, also, is that the Cuban troop losses in Africa have recently been quite high. And I'm not sure that the Cuban people know how severe the loss of life is among Cuban troops that are sent to Angola, nor the ones sent to Ethiopia. But we try to influence Castro to be more peaceful in his foreign policy, to refrain from sending Cuban troops enthusiastically everywhere he can in Africa, not only through our public statements but also through nonaligned leaders and developing countries.

I think the Cuban leaders would like to have the image of being a nonaligned country, but that's obviously an absolutely ridiculous claim, because there is no other country that acts in harmony with and under the domination of the Soviets any more than the Cubans do. They're completely aligned with the Soviets, and where most of the nonaligned countries seek peace and peaceful settlements of disputes, the Cubans are at the forefront of the cutting edge of providing military forces in areas of Africa, for instance, wherever they possibly can find an opening.

So, I think in every one of these respects, Castro is acting contrary to peace-

full settlements of disputes that are inevitable in Africa. And that is an obstacle to any further progress between us and Cuba as far as peace is concerned.

#### UNEMPLOYMENT RATE OF SPANISH-SPEAKING AMERICANS

Q. Mr. President, the unemployment rate in the United States has declined an extent, to 6 percent, and yet in the Spanish-speaking community, the Hispanic community, this has risen to 10 percent. What do you propose specifically to remedy this situation?

THE PRESIDENT. My information is a little bit different from yours. You said "has risen to 10 percent." My information is that in the last 16 months, the unemployment rate among Spanish-speaking Americans has actually dropped. It is still 10 percent, approximately. But I think it has come down since I've been in office. That is a continuing problem for us. When I talk about inflation control, I'm obviously not abandoning our permanent commitment to getting the unemployment rate down.

Among, probably, teenage Spanish-speaking Americans, it would probably be 30, 35, 40 percent. One of the results of a general lowering of unemployment rate in the country is that we can focus the existing Federal programs more and more accurately on those who are more difficult to employ or who have the hardest time getting a job.

As you know, minority citizens, young people are the last ones hired and the first ones fired. And when we have a Government program, either in the CETA programs or, say, a local works program, and a large number of all kinds of Americans are unemployed and the competition is there, quite often the minority citizen doesn't get a good chance to get a job.

However, if the unemployment rate in general is reduced, then we can focus

those Government-supported programs much more accurately upon the minority citizens and young people. So, I think that this is a good prospect now for there to be a more rapid decrease in the unemployment rate among those for whom you are concerned. And the last month's figures showed a substantial improvement in the unemployment rate among Spanish-speaking citizens, black citizens, and young people, in particular.

#### TEMPORARY WORK PERMITS

Q. Mr. President, agricultural labor leaders in agriculture are fearful that this year you're going to allow a tremendous increase in temporary worker permits in the agricultural fields this summer, such as you did last year in Texas. And you are under tremendous pressure from growers to waive some of the requirements. What is your feeling on that? Are you going to allow temporary worker permits, either under the H-2 or *bracero* program or what have you?

THE PRESIDENT. We made it clear when we sent up the legislation to Congress that we don't intend to expand the H-2 program or to put in any sort of *bracero* program and so forth.

Those permits would be handled under existing law, basically the same policy that we have followed, administered by the Secretary of Labor. If a dispute comes up about a particular decision, as far as the legality of it is concerned, as has been the case in the past, the Secretary of Labor would turn to the Attorney General for advice. But we have no plans to expand that program.

#### WHITE HOUSE NEWS SUMMARY

Q. Mr. President, I happened to notice this morning that the news summary that you receive every morning did not contain any items from the Hispanic

media. We asked the question as to why that was, and we were told there apparently wasn't a staffer in the White House who could cull the information from the Hispanic media. Would you feel inclined to include items from the Hispanic media in the future in the White House News Summary?

THE PRESIDENT. Yes, I would.

Q. I think that would be important.

THE PRESIDENT. On occasion, by the way, there are excerpts from the Spanish media. I would say in an average day, we get excerpts from 40—I'm just guessing—40 sources. You could take today's little summary as a typical one. We don't use the same newspapers every day; we don't use the same editorial sources every day.

We do use all three networks and summarize their evening news program, and we do use the lead stories from AP and UPI. That's the only thing that's included every day.

The rest of the time they come from a very wide range of sources, sometimes little tiny newspapers, sometimes Spanish—Hispanic-American newspapers, sometimes black-owned newspapers. But I think we could use more information from the Spanish-speaking community.

#### PRESIDENTIAL ASSISTANT FOR HISPANIC AMERICAN CONCERNS

Q. Mr. President, are you now favorably disposed or could you be favorably disposed to appointing a Presidential assistant with a staff to look after Latino concerns in this country?

THE PRESIDENT. Well, I've got Joe Aragon here who's a top assistant in the White House, who is a very fine spokesman, but I'm not inclined to set up a special office in addition to what I already have, no.

Q. He says that only 5 percent of his time is directly related to Latino concerns,

and Latinos have no place else to go except to Joe.

THE PRESIDENT. Well, I wouldn't say that. I don't know if you all have a list of all the people in the Federal Government who are concerned with Latin American problems, but I don't have any administrators on the White House staff, zero.

These administrative decisions are made within the Immigration Service, among the Assistant Secretaries of Commerce and Labor and the Community Services Administration and HEW. Many of those people are Spanish-speaking. But I don't intend to set up an administrative office in the White House for any particular group.

Q. Why is it then that in recent—several weeks ago in the press, it was reported that Mayor Hatcher was going to come on staff to take care of black concerns?

THE PRESIDENT. Well, that's—you know I'm not responsible for everything that's reported in the press. [Laughter]

Q. That's not true?

THE PRESIDENT. No. I wouldn't bring anybody on board to take care of a particular constituency group. You know, if someone does come to work for me like Joe Aragon, who happens to speak Spanish, or Bunny Mitchell, who happens to be black, you know, if I felt they could only deal with Spanish-speaking people or black people, it would just be contrary to what I want.

I don't think that we ought to isolate a certain constituency group and have them able to go, or constrained to go, to a particular person in the White House. I think if any Spanish-speaking person in the country has a problem, you know, with the Labor Department or HEW or HUD, they ought to be free to go and ought to be encouraged to go directly to the Cabinet members involved.

I don't like to run my Governor's office in Georgia, or the White House here with administrative responsibilities in the White House. And I don't like to segment my staff to be responsible for old people or farmers or labor or business or women or blacks or Spanish-speaking people. I'd have such a fragmented administrative mechanism here that I couldn't deal with it. I'd just rather not do that.

I do like to have people who are sensitive, especially to the problems that face those constituency groups. And I think that Joe Aragon, although he does have a broad range of responsibilities and also a broad range of knowledge—he's respected by the Cabinet members—he does have a special sensitivity concerning the unique problems and needs of Spanish-speaking Americans.

But I would not want to have an entity in the White House that was confined to a responsibility just for Spanish-speaking people.

#### CUBAN HUMAN RIGHTS POLICIES

Q. Mr. President, when you went to Miami before the election, you went to our office of Replica Magazine. It's a weekly magazine. We discussed there about Cuba and human rights. Now Castro's in Angola, and human rights in Cuba are the same as before. What do you think about that?

THE PRESIDENT. Well, again, you know, our policy on human rights is a worldwide problem. Castro has thousands of political prisoners still in jail. I don't think he denies it.

There's some argument about exactly how many thousands are in jail. Some of those people have been in Cuban prisons for almost 20 years, and a lot of them had a sentence when originally incarcerated that was 20 years. Our hope is at least that he will release those political prisoners when their sentence expires.

We have very little, if any influence on what Castro does concerning basic human rights. Nothing would please me more than to see Castro announce today that he was going to withdraw his troops from Angola, from Mozambique, from South Yemen, from Ethiopia, that he was going to refrain from injecting Cuban troops into Rhodesia in the future, or that he was going to quit offering Cuban troops to the leaders among the frontline Presidents, that he was going to release political prisoners.

You know, nothing would please me more than for him to do that. But I can't tell you that we have any hopes that this will be the case.

As I said earlier, I don't think that our relationships with Cuba are going to improve any further unless he shows in tangible form that he's committed both to peace and to the enhancement of human rights.

I'll answer just one more question.

#### UNDOCUMENTED ALIENS LEGISLATION

Q. Mr. President, if the proposed alien adjustment and employment act becomes law, do you feel that such a massive program could be accomplished within a reasonable period of time? And would a special department or agency be needed to handle this particular undertaking?

THE PRESIDENT. Yes, I think it could be administered. I can't guarantee the complete success of it or any other effort of this kind when so many different kinds of human beings are involved.

We really want to feel our way into this program carefully. One of the reasons for the special status of those who are presently in our country illegally and who have been here for quite a while is just to understand how many of them there are and what the size of the prob-

lem is, so that we can deal with them both fairly and humanely.

Another thing to which we are totally committed is to make sure that any sort of new program of this kind does not work any hardship or deprivation of civil rights against those who are American citizens, who are here legally, and who happen to be Spanish-speaking.

This is a crucial issue for us, and I do think that the program would be adequate. I do think we can administer it well. It would be administered very cautiously, and if there was a choice between a rapid implementation on the one hand and the protection of the civil rights or human rights of all Spanish-speaking Americans on the other hand, I would be overly cautious in order to protect the civil rights of those people who happen to speak Spanish.

MR. WURFEL. Thank you, Mr. President.

#### LATIN AMERICAN POLICY

THE PRESIDENT. I'm looking forward this afternoon to getting my wife back. She's been down in Costa Rica for the inauguration of a new president, and she was in Guatemala this morning. I think that one of the things that I'd like to say in closing is this: We've tried to change our Latin American policy in a beneficial way. We've done it by honoring people who speak Spanish, just by a deep feeling that my wife and I have that they ought to be identified as equals.

We don't look down upon them. We're not doing them any favors. When we have a good relationship with Mexico or a good relationship with Panama or a good relationship with Costa Rica or other countries, it's a favor to Americans, to North Americans, and to the people who live in this country. And some of the things we've done have been very difficult politically.

I hope that, for instance, the ratification of the Panama Canal treaties will open up a new era of mutual trust and friendship and equality between ourselves and all the people in the Latin American countries.

I also have long had an interest in Latin America, because my wife and I just happen to have studied Spanish when we were very young. Rosalynn goes to Spanish class now 9 hours a week, and she does a lot of reading and a lot of studying at night. Each evening we read Spanish together. One night she reads; I read the next night. And so I think we have a special feeling toward our friends in Latin America. I believe that the people there reciprocate; they know that we are interested in improving relations.

And the other thing that we've tried to do is not to treat all of the people who live south of here as being the same. We deal with each country individually and respect their uniqueness and try to search out ways to let them respect us and to build up a respect for them in the minds and hearts of American people. This applies even to Cuba, where we do have some serious problems.

And we are very eager to see our relationships with the other nations in this hemisphere continue to improve. My subjective feeling is that they are improving. And there's just an outpouring of friendship expressed to me when I go to a country in Central and South America, or Caribbean—the same thing applies to my wife when she goes—quite different from what it has been in years gone by, and I want to continue it.

I'm extremely proud of the Latin heritage that's been brought to our own country. It's a benefit to American people. And our emphases on bilingual education comes from the heart. And I hope that that particular heritage or background can be preserved, because we can benefit

a great deal from the extremely stable family configuration that exists among Latin American people—better by far on the average than what exists among Anglo-American families, perhaps—and the deep feelings of religious commitment are very admirable. The commitment to the work ethic is admirable.

And I think it's good for our country to have this Latin heritage become a part of our consciousness and to be recognized. We're trying to overcome discriminations that have existed in the past. I've spoken out very strongly against any police brutality, for instance, against Mexican American citizens in Texas and other places.

We've had the same thing exist in my part of the country against blacks, in years gone by. The Attorney General has interceded directly in some of those cases, to point out that there are inequities, there are mistreatments, exhibited even among official people. So, I look on your advice to me as being very valuable. And I hope when there are instances of this kind of abuse or when there are ways that I can move as President to make the lives of Spanish-speaking people more pleasant and more useful and more constructive in our country, that you all will let me know.

And I want every agency in the Federal Government to mirror the feelings that I've just described. It's a very important thing for us, for me and Rosalynn. It's a very important thing for my whole administration. And I'm eager to root out any sort of remnants of discrimination or improper separation from the rest of the citizens of our country from the very valuable Spanish-speaking citizens that are so dear to us.

NOTE: The interview began at 1:07 p.m. in the Cabinet Room at the White House. Walter W. Wurfel is Deputy Press Secretary.

The transcript of the interview was released on May 13.

## Middle East Arms Sales

**Statement by the President. May 14, 1978**

The question before the United States Senate tomorrow is crucial to our efforts to secure a just and lasting peace in the Middle East. I have been impressed by the sincere desire of Senators I have talked with this weekend to rise above partisanship and political concerns. I believe the Senate will approve the transaction and thus allow the United States to maintain our historic commitment to the security of Israel, while enhancing our ties with moderate Arabs who also seek peace and stability in that region.

## United States Circuit Judge Nominating Commission

**Executive Order 12059. May 11, 1978**

By virtue of the authority vested in me as President by the Constitution and statutes of the United States of America, in order to clarify and amend the responsibilities of the various panels of the United States Circuit Judge Nominating Commission and to continue the Commission, it is hereby ordered as follows:

**SECTION 1. Establishment of the Commission.** There is hereby established the United States Circuit Judge Nominating Commission (hereinafter referred to as the "Commission"). The Commission shall be composed of thirteen panels, each of which shall, upon the request of the President, recommend for nomination as circuit judges persons whose character, experience, ability and commitment to equal justice under law, fully qualify them to serve in the Federal judiciary. Except as indicated below, each panel shall serve a geographic area set forth in

28 U.S.C. 41. The panels shall be as follows:

- (1) Panel for the District of Columbia Circuit;
- (2) Panel for the First Circuit;
- (3) Panel for the Second Circuit;
- (4) Panel for the Third Circuit;
- (5) Panel for the Fourth Circuit;
- (6) Panel for the Eastern Fifth Circuit, for the States of Alabama, Florida, Georgia and Mississippi;
- (7) Panel for the Western Fifth Circuit, for the States of Louisiana and Texas, and the Canal Zone;
- (8) Panel for the Sixth Circuit;
- (9) Panel for the Seventh Circuit;
- (10) Panel for the Eighth Circuit;
- (11) Panel for the Southern Ninth Circuit, for the States of Arizona, California, and Nevada;
- (12) Panel for the Northern Ninth Circuit, for the States of Alaska, Hawaii, Idaho, Montana, Oregon and Washington, and the Territory of Guam; and
- (13) Panel for the Tenth Circuit.

A panel shall be designated as, *e.g.*, the "United States Circuit Judge Nominating Panel for the First Circuit."

**SEC. 2. Membership.** (a) The membership of the Commission shall consist of the combined memberships of the panels. The President may appoint a member of the Commission as its Chairman, with such duties as the President may assign.

(b) A panel shall be composed of a Chairman and such other members as the President may appoint;

(c) Each panel shall include members of both sexes and members of minority groups, and each panel shall include at least one lawyer from each State within a panel's area of responsibility.

(d) All members of the panel for the District of Columbia Circuit shall be persons residing within the District of Columbia or within twenty miles of its boundaries.

SEC. 3. *Functions of Panels.* (a) A panel shall begin functioning when the President or his designee notifies its Chairman that the President desires the panel's assistance in aid of his constitutional responsibility and discretion to select a nominee to fill a vacancy or vacancies on a United States Court of Appeals. Upon such notification, the panel shall:

(1) Give public notice of the vacancy or vacancies within the relevant geographic area, inviting suggestions as to potential nominees;

(2) Conduct inquiries to identify potential nominees;

(3) Conduct inquiries to identify those persons among the potential nominees who are well qualified to serve as a United States Circuit Judge; and

(4) Report to the President, within the time specified in the notification of the vacancy or vacancies, the results of its activities, including its recommendations as to the persons whom the panel considers best qualified to fill the vacancy or vacancies.

(b) The Panel for the District of Columbia Circuit shall have the additional function of recommending nominees for the United States District Court for the District of Columbia, in accordance with the standards and procedures prescribed by this order for recommending nominees for circuit judges.

SEC. 4. *Standards for Selection of Proposed Nominees.* (a) Before transmitting to the President the names of the persons it deems best qualified to fill an existing vacancy or vacancies, a panel shall have determined:

(1) That those persons are members in good standing of at least one state bar, or the District of Columbia bar, and members in good standing of any other bars of which they may be members;

(2) That they possess, and have reputations for, integrity and good character;

(3) That they are of sound health;

(4) That they possess, and have demonstrated, outstanding legal ability and commitment to equal justice under law; and

(5) That their demeanor, character, and personality indicate that they would exhibit judicial temperament if appointed to the position of United States Circuit Judge.

(b) In selecting persons whose names will be transmitted to the President, a panel shall consider whether the training, experience, or expertise of certain of the well qualified individuals would help to meet a perceived need of the court of appeals on which the vacancy or vacancies exist.

(c) To implement the above standards, a panel may adopt such additional criteria or guidelines as it considers appropriate for the identification of potential nominees and the selection of those best qualified to serve as United States Circuit Judges.

(d) Each panel is encouraged to make special efforts to seek out and identify well qualified women and members of minority groups as potential nominees.

SEC. 5. *Ineligibility of Commission Members.* No person shall be considered by a panel as a potential nominee while serving as a Commission member or for a period of one year after termination of such service.

SEC. 6. *Travel Expenses and Financing.*

(a) Members of the Commission shall receive no compensation from the Government of the United States for their service as members of the Commission, but may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5702 and 5703) for persons intermittently employed in the government service.

(b) All necessary expenses incurred in connection with the work of the Commission shall be paid from the appropriation for "Unanticipated Needs" in the Executive Office Appropriations Act or from such other funds as may be available.

(c) Expenditures authorized by this Section may be made only after the President has notified a panel's chairman that he desires the panel's assistance in accordance with Section 3 above, and before the termination of appointments to the panel in accordance with Section 7 below.

SEC. 7. *Term of Membership.* Unless extended by the President, each appointment to a panel shall terminate thirty days after submission of the panel's report to the President.

SEC. 8. *Termination of Commission.* The Commission shall terminate on December 31, 1978, unless sooner extended by the President.

SEC. 9. *Revocations.* Executive Order No. 11972 and Executive Order No. 11993 are hereby revoked.

JIMMY CARTER

The White House,  
May 11, 1978.

[Filed with the Office of the Federal Register,  
12:02 p.m., May 15, 1978]

NOTE: The text of the Executive order was released on May 15.

## Armed Forces Day, 1978

*Proclamation 4571. May 15, 1978*

*By the President of the United States  
of America*

### A Proclamation

The men and women of the Army, Navy, Air Force, Marine Corps and Coast Guard serve their country with

pride and dignity. Each day we enjoy peace is a reminder of their important role.

It is with equal pride that we Americans set aside one day each year to pay tribute to these patriotic volunteers, stationed throughout the world.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States and Commander-in-Chief of the Armed Forces of the United States, continuing the precedent of my six immediate predecessors in this Office, do hereby proclaim the third Saturday of each May as Armed Forces Day.

I direct the Secretary of Defense on behalf of the Army, the Navy, the Air Force, and the Marine Corps, and the Secretary of Transportation on behalf of the Coast Guard, to plan for appropriate observances each year, with the Secretary of Defense responsible for soliciting the participation and cooperation of civil authorities and private citizens.

I invite the Governors of the States, the Commonwealth of Puerto Rico, and other areas subject to the jurisdiction of the United States, to provide for the observance of Armed Forces Day within their jurisdiction each year in an appropriate manner designed to increase public understanding and appreciation of the Armed Forces of the United States.

I also invite national and local veterans, civic and other organizations to join in the observance of Armed Forces Day each year.

I call upon my fellow Americans not only to display the flag of the United States at their homes on Armed Forces Day, but also to learn about our system of defense, and about the men and women who sustain it, by attending and participating in the local observances of the day.

Proclamation 4492 of March 22, 1977, is hereby superseded.



IN WITNESS WHEREOF, I have hereunto set my hand this fifteenth day of May, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 4:15 p.m., May 15, 1978]

## Executive Schedule

### *Executive Order 12060. May 15, 1978*

#### RELATING TO CERTAIN POSITIONS IN LEVELS IV AND V OF THE EXECUTIVE SCHEDULE

By virtue of the authority vested in me by Section 5317 of Title 5 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. Section 1 of Executive Order No. 11861, as amended, placing certain positions in level IV of the Executive Schedule, is further amended by inserting in numerical sequence "(6) Assistant Attorney General, United States Attorneys and Trial Advocacy, Department of Justice." and by deleting "Counselor to the Secretary for Congressional Affairs" in subsection (10) and inserting in lieu thereof, "Deputy Under Secretary for Regional Affairs".

SEC. 2. Section 2 of Executive Order No. 11861, as amended, placing certain positions in level V of the Executive Schedule, is further amended by deleting "(13) Executive Director, Federal Personnel Management Systems Study, United States Civil Service Commission".

SEC. 3. Executive Order No. 11189 of November 23, 1964, Executive Order No. 11195 of January 30, 1965, and Executive

Order No. 11995 of June 8, 1977 are revoked.

JIMMY CARTER

The White House,  
May 15, 1978.

[Filed with the Office of the Federal Register, 10:14 a.m., May 16, 1978]

## National Advisory Council on Extension and Continuing Education

### *Appointment of Four Members. May 15, 1978*

The President has appointed four persons as members of the National Advisory Council on Extension and Continuing Education, for terms expiring June 30, 1980. They are:

ALFRED W. CLEMENT, of Bellingham, Wash., project director of the Bureau for Faculty Research at Western Washington State College;  
HELMUT J. GOLATZ, of State College, Pa., department head and professor of labor studies at the Pennsylvania State University;  
CRYSTAL A. KUYKENDALL, of Washington, D.C., director of urban and minority affairs for the National School Boards Association;  
NOEL MYRICKS, of Columbia, Md., associate professor of family and community development at the University of Maryland and an attorney.

This Council advises the Secretary of HEW and the Commissioner of Education on matters concerning extension and continuing education.

## Sir Robert Menzies

### *Statement on the Death of the Former Australian Prime Minister. May 15, 1978*

In the death of Sir Robert Menzies, the United States has lost a firm friend and Australia a great leader.

Sir Robert's career of public service began half a century ago. He stood by the United States in three wars, and was instrumental in establishing the Australia-New Zealand-United States alliance (ANZUS).

After his retirement from public life, he continued to work at strengthening the ties of friendship that bind our countries—serving for a year as scholar-in-residence at the University of Virginia.

I join with Sir Robert's family and nation in mourning his passing.

NOTE: The White House later announced that the President asked Governor and Mrs. W. Averell Harriman to be his personal representatives at the funeral services in Melbourne on May 19.

## Emergency Agricultural Assistance Bill

*Statement on Signing H.R. 6782 Into Law.*  
May 15, 1978

I am today signing H.R. 6782, the Emergency Agricultural Act of 1978, because it will help the administration meet our goal of food and agriculture policies which are fair and equitable for farmers and which maintain our ability to compete effectively in world markets.

This is a 4-year measure that will give us added flexibility in farm programs and encourage more farmers to use the programs to achieve maximum benefit.

On March 29, we took several steps designed to help producers of wheat, feed grains, and cotton. These actions were targeted to provide economic incentive for producers to participate in the 1978 farm programs. Even though a wheat grazing and haying program was announced that day, it did not have an eco-

nomic impact equal to the actions taken for cotton and feed grain producers.

The discretionary authority that the Congress has provided in this legislation allows the Secretary of Agriculture to raise income support levels in any year in which a set-aside program is in effect. Today, I am asking the Secretary to exercise this authority by increasing the income support level for 1978 crop wheat to \$3.40 per bushel, up from the \$3.00 provided in the Food and Agriculture Act of 1977.

As a result of this, wheat producers will be eligible for approximately \$600 million in additional deficiency payments late this year, unless the market price is in excess of \$3.00 a bushel during June-October.

An undesirable feature of this bill is the 48-cent-per-pound minimum upland cotton support price for the 1978-81 crops. This may create problems in future years, but we expect that market prices will remain above the 48-cent loan for the 1978 crop. I intend to propose legislation to remove this minimum price provision, but I will not propose to change the modifications in the formula used to determine the cotton loan rate.

It is also important to note that the bill raises the Commodity Credit Corporation's borrowing authority from \$14.5 billion to \$25 billion. The added \$10.5 billion will not increase government expenditures, but will provide funds necessary for the successful operation of currently announced domestic and foreign food and agriculture programs.

I congratulate the Congress, and especially Chairmen Foley and Talmadge, for enacting this legislation so promptly after defeat by the House of Representatives of the unwise and untimely "flexible parity" bill. That bill would have added significantly to

food prices and to budget expenditures, and would have undermined our attempts to form a farmer-held grain reserve to protect against future crop shortfalls.

The steady improvement in farm prices under the programs of the Food and Agriculture Act of 1977 demonstrates that it, and related statutes, are providing more effective insurance against economic risk.

Now our farmers need better insurance against the risk of natural disaster. Recently Secretary Bergland sent to the Congress our proposed farm production protection act, which will provide a nationwide, all-risk insurance program tailored to the needs of individual producers. It is my sincere hope that the Congress can move rapidly to reform the present crop insurance and disaster assistance programs.

I also strongly urge the Congress to act on legislation that the administration has forwarded to establish an international emergency wheat reserve. This bill authorizes government purchase of wheat from the marketplace to accumulate a total reserve of up to 220 million bushels. This reserve will strengthen our commitment for food aid to the less developed countries of the world. It will ensure that U.S. food aid shipments will not be curtailed when there have been substantial shortfalls in world grain production and food aid needs are most critical.

NOTE: As enacted, H.R. 6782 is Public Law 95-279, approved May 15.

## Middle East Arms Sales

*Statement on Senate Action Approving the Sales. May 15, 1978*

I am deeply gratified by the Senate's decision today which will permit the pro-

posed arms sales to Israel, Egypt, and Saudi Arabia. That action reaffirms our historic and unshakable commitment to the security of Israel—a commitment which will continue to have the unwavering support of this administration and the American people.

At the same time, the Senate vote strengthens our ties with moderate Arab nations who share our goal of peace and stability in the region. We also honor bipartisan pledges made by the previous administration as well as my own to help our friends in the Middle East meet their legitimate needs for self-defense.

The approval of these sales will not violate the arms limitation policy of this administration, which I announced last May. That pledge to limit arms sales will be met. If and when other nations are willing to join with us in mutual restraint on the sale of conventional weapons, even greater reductions will be possible.

In the meantime, the Senate's action makes it clear that the United States stands ready to provide needed assistance when unrestrained arms sales by other nations pose a threat to the security of our friends and allies.

With this issue resolved, the sharp debate over the proposed sales can now be put behind us. That debate has been among friends who share the same goals. All of us can now concentrate our full attention on finding a sound and just basis for permanent peace.

The United States will continue to play a responsible and active role in the search for peace in the Middle East. We will intensify our effort to help the parties narrow their differences. Our own national interest and moral values permit us to do no less.

## Reception Honoring Armenian Americans

*Remarks at the White House Reception.  
May 16, 1978*

THE PRESIDENT. The first thing I want to say is that it is an honor for Rosalynn and me to have you here in our home, which is also your home.

In preparation for the previous meeting that I had with your group in the Roosevelt Room in the West Wing, I went back and studied some of the history of the Armenian people. And I, again, am impressed with the tremendous contribution that you've made to our own Nation, the high examples that you've set in leadership, in music, arts, in business, in politics, in education, and in your sound political judgment in choosing to be Democrats—[laughter]—also in your very early support of me when I ran for President. Yours was the first group that had confidence in me, and I will always remember it. And your help for our party and our country is something that I appreciate very much.

As one of the oldest people in the world, you have, I think, struggled with great courage and tenacity to preserve your own identity, your own customs, and, too, in a very modest way, let the world come to appreciate what you've accomplished.

I feel close to you because you were the first Christian people, first Christian nation, and because of that, your deep religious beliefs, I doubt that any other people have ever suffered more. I know that through the early years of the foundation of your people's home, you suffered a great deal. But it's generally not known in the world that in the years preceding 1916, there was a concerted effort made to eliminate all the Armenian people, probably one of the greatest tragedies that ever befell any group. And

there weren't any Nuremberg trials. There weren't any high public figures who recognized how much you and your families had to suffer.

Well, I feel very deeply that I, as President, ought to make sure that this is never forgotten, not only the tragedy of your history but also the present contributions that you make and the bright future that you have.

I'm very grateful that there are about a million Armenian Americans who provide stability in a unique place in our Nation's social and political structure, and I'm very grateful to you.

I might add one other thing. You are very generous people. Some of you have become quite influential, quite affluent, and quite famous because of your superb achievements. And this is a matter of great pride to me as it is to you.

So, I just wanted to let you know that, in a few words, as President, and on behalf of the American people, I appreciate what you are.

Thank you very much.

CLEMENT CONGER. Mr. President, Mrs. Carter, as Curator of the White House, it gives me great pleasure to inform you that the Committee for the Preservation of the White House accepts with great pleasure two very important gifts of American paintings being given by the Manoogian family. They are, on the left, "Barn in Winter" by N. C. Wyeth, and on the right, "The Red Mill" by Ernest Lawson, American impressionist art. And I know that all of us realize that President and Mrs. Carter are very impressed with American impressionist artists.

I think Mr. Richard Manoogian would like to say just a word before we accept them.

MR. MANOOGIAN. Mr. President and Mrs. Carter, on behalf of the Manoogian family, I'm very pleased to present these paintings to the permanent White House

collection. And I believe I speak for all the Armenians present to extend to you our appreciation and thanks for inviting us today, and we're looking forward to coming back over the next 7 years. Thank you.

MRS. CARTER. I want to thank you, too, for these paintings. One of the things that we need in the White House is a good collection of American paintings. And I really appreciate this contribution. And I want to welcome all of you here today. It's just a great pleasure for us to have you here with us.

THE PRESIDENT. One of the things that we enjoy here in the White House is having come to visit our Nation, world leaders, kings, and prime ministers, chancellors, presidents. One of our most important visitors was Chancellor Schmidt from Germany. And when he came, we wanted to be sure, as one of our chief allies in preserving world peace, that we had the best entertainment that was available in our country, and we had Lili Chookasian to sing for us that night. It was a wonderful evening. And she honored us by being here. And this afternoon it's, I know, with a warm sense of common appreciation that you and I now welcome Lili to sing for us again.

MS. CHOOKASIAN. May I say, Mr. President and Mrs. Carter, that it's indeed my pleasure. It's just unbelievable to be back here within a year. And my pianist is going to be Mr. Shahan Asranee.

The first number I'm going to sing is called "Siranitzar," which is translated "Apricot Tree." The lover is begging the apricot tree not to bear any fruit because his sweetheart has left him, and his sorrow is as deep as the deepest ocean.

NOTE: The President spoke at 4:33 p.m. at the reception held for Armenian American leaders of business, labor, educational, civic, and religious organizations in the East Room at the White House.

## Visit of President Kenneth D. Kaunda of Zambia

*Remarks at the Welcoming Ceremony.  
May 17, 1978*

PRESIDENT CARTER. It's a great honor for me as President of the United States to welcome to our country a great man and a friend, Kenneth Kaunda, the President of Zambia.

The last time he was here was 3 years ago. His wife, Betty, was with him. And they captured the hearts of Americans by an impromptu musical performance that was brought back to my own memory by his singing of the words of the national anthem, a few minutes ago, of his fine country.

Since that visit, in 3 years, a lot has happened. Momentous changes have occurred and are presently taking place in the southern part of Africa.

His neighbors are standing in admiration of his leadership and using the example set by this great man as a vision of what might be accomplished in the countries still in turmoil, where human rights have not been achieved, and where many black people are deprived of the right to vote, to participate in the shaping of their own government's policy, their own destiny, and are also deprived of the right of equality of opportunity and life.

President Kaunda is a deeply religious man. And the principles of his Christian beliefs have shaped his private and his public life. He's an idealist. He's a man of great integrity which has never been questioned. He's a man who has provided, among the frontline state leaders, a constant vision or perception of what might be in his neighboring state of Zimbabwe, or Rhodesia. He's a good partner for us.

I think it's accurate to say that our hopes for a future life in Rhodesia is the same as his. We want to see a community

in peace. We want to see a government that is fair, where the rights of all citizens might be protected and ensured; the right to participate in government is open to all on an equal basis; that elections might be held that are open and free, and each person has one vote. We want to see a nation where majority rule can be instituted for a change.

The same thing applies to Namibia the entire southern part of Africa.

I look forward to these conferences that I will have with President Kenneth Kaunda with a great deal of anticipation and pleasure. He's a man who is a senior statesman, who understands the overall principles and the details of the complicated interrelationships that exist among the tribes of southern Africa, the unique qualities of the people of each nation, and the failures that have up until this moment been experienced in bringing freedom and a life of hope to many people in his region.

Zambia is a nation that has been close to us. And it's with a great deal of pleasure that I welcome to our country this statesman, and with a great deal of regret that we note that his wife, Betty, could not be with him on this visit.

President Kaunda, on behalf of the people of our country, we welcome you as a friend.

PRESIDENT KAUNDA. *Mr. President, Madam Carter, sisters and brothers:*

I welcome this opportunity of visiting the United States this year. Your words of welcome are most touching, and your thoughts about me and my country, very kind indeed. The warm and friendly reception extended to me, two of my children, and my entire delegation, is memorable. I bring friendly greetings from the people of Zambia to the people of the United States.

This is not my first visit to this great country, but being in the United States

today is not the same thing, is not the same thing as being here a few years ago. There is an air of freshness which is invigorating to all those who are committed to the cause of man the world over. This new atmosphere which has brought America closer to many nations, nations which hitherto had been estranged, is the product, is the product of President Carter.

His spirit and principles have brought inspiration to many nations, particularly in the Third World and among the oppressed. He has given new hopes for improved relations and cooperation between America and Africa and the rest of the Third World.

In consequence, the opportunities for increased cooperation between the peoples of our two continents are now greater, greater than ever before. Our task is to strengthen this happy trend by removing the remaining obstacles in our way. We must consolidate our achievements in the last few months.

Since coming into office, President Carter has played host to a number of African leaders. His epoch-making visit to Africa signifies a new recognition of the importance of Africa to America, just as we have always recognized the importance of America to Africa.

We welcome this new approach to Africa's problems. Naturally, Africa expects more from a great country like America, for the challenges of the future are too serious to be ignored, too great, too great to be left to chance, too urgent, too urgent to be left to time.

Africa is growing stronger by the day. Through the development of her vast resources, Africa's contribution to peace and the well-being of mankind is growing. The people of Africa are now a decisive force in the maintenance of international peace and security.

So, Africa is no longer of interest only to multinational corporations but is also important in the maintenance of peace the world over. President Carter's Africa policy reflects a new realism on the part of the American Government in dealing with issues concerning Africa.

We in Zambia will always, Mr. President, support any efforts aimed at creating greater understanding, unity, and cooperation among various peoples of the world without regard to race, color, creed, or station in life.

We therefore look forward to a very fruitful visit, not only to Washington, D.C., but to the various States in the next few days.

Once again, Mr. President, I thank you for this memorable and touching reception. May God bless you and all the good people of your country and thank you.

NOTE: President Carter spoke at 10:35 a.m. in the East Room at the White House.

## Special Session of the United Nations General Assembly on Disarmament

***Nomination of U.S. Representatives and  
Alternate Representatives to the 10th  
Special Session. May 17, 1978***

The President today announced the persons he will nominate to be Representatives and Alternate Representatives of the United States to the 10th Special Session of the United Nations Devoted to Disarmament. They are:

### *Representatives*

ANDREW J. YOUNG, U.S. Ambassador to the United Nations

W. AVERELL HARRIMAN, former Ambassador at Large, Under Secretary of State for Political Affairs, and Governor of New York

GEORGE MCGOVERN, United States Senator from South Dakota

CHARLES W. WHALEN, JR., United States Representative from Ohio

PAUL NEWMAN, motion picture actor

### *Alternate Representatives*

ADRIAN S. FISHER, U.S. Representative to the Conference of the Committee on Disarmament

JAMES F. LEONARD, JR., Deputy Representative of the United States to the United Nations

CHARLES MCC. MATHIAS, JR., United States Senator from Maryland

PAUL SIMON, United States Representative from Illinois

MARJORIE CRAIG BENTON, employed by Films, Inc., in Wilmette, Ill.

## Federal Farm Credit Board

***Nomination of Three Members.  
May 17, 1978***

The President today announced three persons whom he will nominate as members of the Federal Farm Credit Board. They are:

GEORGE W. LACEY, of Drummond, Mont., director of the Farm Credit Board of Spokane;

JOHN D. NAILL, JR., of Biscoe, Ark., a farmer, operator of the Biscoe Gin Co., and Chairman of the Land Bank Advisory Committee to the Federal Farm Credit Board;

DWIGHT L. TRIPP, JR., of Auburn, Maine, a dairy farmer and director of the Springfield Farm Credit Board.

## National Commission on Libraries and Information Science

***Nomination of Five Members.  
May 17, 1978***

The President today announced five persons whom he will nominate as members of the National Commission on Li-

braries and Information Science. They are:

ROBERT W. BURNS, JR., assistant director of libraries for research service at the Colorado State University Libraries;

JOAN H. GROSS, of New York City, a former member of the American Library Association and advertising copywriter;

CLARA S. JONES, director of the Detroit (Mich.) Public Library;

FRANCES H. NAFTALIN, president of the Minneapolis Public Library Board and a member of the State Library Advisory Commission, and active in civic affairs;

HORACE E. TATE, executive secretary of the Georgia Association of Educators and associate professor of education at Fort Valley State College, Fort Valley, Ga.

## Federal National Mortgage Association

### *Reappointment of Five Members of the Board of Directors. May 17, 1978*

The President today announced the reappointment of the five members of the Board of Directors of the Federal National Mortgage Association whom he appointed in May 1977. They are:

RAYMOND H. LAPIN, president and chairman of the board of R. H. Lapin Co. of San Francisco;

JOHN D. THOMPSON, president and treasurer of the Washington, D.C.-based Vijon Realty Co. and past president of the National Association of Realtors;

MARVIN S. GILMAN, executive vice president of Leon N. Weiner & Associates, based in Wilmington, Del., an associate professor at the University of Delaware and active in the National Association of Home Builders;

RUTH T. PROKOP, General Counsel of the Department of Housing and Urban Development;

JOHN HEIMANN, Comptroller of the Currency.

## Visit of President Kaunda of Zambia

### *Toasts at the State Dinner. May 17, 1978*

PRESIDENT CARTER. *President Kaunda and distinguished guests from Zambia, my own American friends who are ashamed of their President because he can't perform as well as you—[laughter]:*

We are delighted to have you all here tonight to welcome to the White House a great leader.

Many of you didn't recognize the language of the prayer that was given by our guest. It was Presbyterian. [Laughter] His father was a pastor, a minister in the Church of Scotland. And I think that it's obvious to all of us that our guest has very deep feelings, not only about religion but about humanity, about freedom, about individuality, equality, democracy, self-expression, the very same characteristics of life that have made our own Nation great and have made the nation of Zambia great.

Living in this house is sometimes a sobering experience, because you look back over many years and see the leaders who have been here. We revere George Washington because he had such great courage and tenacity and confidence in his own people, that he was the father of our country. And it's a very exciting thing to know that we have, in effect, the George Washington of Zambia here with us tonight, a man who had the confidence of his people and who enjoys a relationship with the people of Zambia that's mutually respectful and filled with confidence.

I've benefited already from my correspondence with President Kaunda. I've sought his advice because I know what kind of man he is. I know the leadership



that he shows in southern Africa and indeed throughout that continent and the world. He's a man whose integrity has never been challenged, never been doubted. And he's a man who in a practical way can implement his deep feelings that I've just described for the benefit of his own people.

I've had a chance to discuss with him today some of the most difficult questions that face the modern world—how to bring into being in the southern part of a troubled continent, among people who are not blessed as are those in Zambia with those freedoms and basic human rights, and how his leadership might be mirrored in me and other leaders who look to him for guidance; in letting the people of Rhodesia, Namibia, South Africa, ultimately enjoy the privileges of shaping their own governments' policies and of determining their own future through democratic processes, based on majority rule and based on the fact that each person should have a vote that's equal to the vote of any other person in that country.

This inner strength and courage is combined with a gentleness and a sensitivity that makes President Kaunda be outstanding in the minds and in the opinions of those who know him and know his good influence.

He was here in this room 3 years ago, and he made a short talk, toast, that was highly embarrassing to the Americans who were his hosts. Some criticized him for his frankness, and even accused him of being impolite. But the time that's passed since and our own experience has shown to me and my administration and my predecessors here that had we listened to him closely, and had the policies of our own government been shaped by him and his advice toward Africa, we could have

avoided many serious mistakes, much delay, and expedited the achievements which we all still await and pursue with eagerness.

We are indeed fortunate to have statesmen like him come to our country to give us advice and to reinspire us with their own past achievements and with their own dreams and commitments for the future.

Our nations are tied together with a spirit not only of friendship and mutual respect but also now with a common purpose and common policies, common concerns and shared communications and mutual support.

Zambia's policy has not changed. But the policy of our own country has changed. And I think the investment that we are now placing in Africa with interest and study will pay rich dividends for our Nation in the future and for world peace and for the achievement of those who have been oppressed too long.

We have been discussing tonight some of the economic concerns that Zambia has. One of their major export items is copper. The copper prices have been severely depressed for the last 2 or 3 years. And we stand with Zambia, recognizing that their future, their economic strength is important to us and to the entire free world.

President Kaunda will be and has been meeting with the members of my Cabinet, with congressional leaders, some of you around this room. He's had long friendships with some of you. I know that everyone here, President Kaunda, shares my words and would corroborate everything that I've said about your own achievements and your own qualities.

We hope that southern Africa will take full advantage of your influence, and the people of the United States and I, as

President, will certainly take full advantage of everything we can derive from you in counsel and advice and well-deserved criticism when we do forget that we in our affluence, with the historic blessings of freedom and equality for the majority of our people, must be reminded that other nations are still struggling for those attributes that all mankind desires so deeply.

So, it's with a great deal of pleasure that I say in your language, *Mwaiseni Murwai* [welcome to you, sir], and in another language that I happen to know, I would like to say, from the people of the United States, we would like to propose a toast to a great leader, President Kaunda, and to the fine people of Zambia for a great common future and for human rights throughout the world.

PRESIDENT KAUNDA. Mr. President, I know you've got an appointment to go to, but I shall invite my colleagues to come and join me in their short song, which, since you are also revolutionaries—you fought for your own independence—this song we sing when we are reminding ourselves about the ongoing struggle. Delegation—including the press. [*Laughter*]

[*At this point President Kaunda and members of his cabinet sang the song. He then resumed speaking.*]

*Mr. President, sisters and brothers:*

President Carter and myself have exchanged many letters since he assumed office on January 20, 1977. I was corresponding with a man about whom I knew little. Fortunately, the American political system affords Americanologists in the world to assess an American President even before he enters the White House.

So, even before meeting him, I had already regarded him as a man I understood and admired from the principles widely disseminated by the American news media. Today it is a pleasure to be with him in Washington to share with him

the experiences, the joys, the burdens, and the challenges of this world. My discussions with him today have confirmed my impressions. He is a man endowed with penetrating simplicity and humility as well as transparent honesty reminiscent of a peasant.

As you know, honesty is such a rare commodity in a world that has become increasingly cruel, cruel against men and cruel against itself. Already President Carter has done two most important things, among others, affecting man's relations with man throughout the world. He has injected an important moral tonic into politics among nations. He has brought human rights into the full focus of international attention, thereby implementing on a world scale the principles enunciated by the Founding Fathers of the United States.

That the American people should bring to power a person like Jimmy Carter is a credit to their political system. Though it is different from ours, your two-party system, and our one-party, but still a democracy, attempt to give people of different backgrounds, men and women of humble beginnings, opportunity to lead their fellow man in shaping their destinies.

Jimmy Carter's background has greatly assisted America's approach to Africa and the Third World. Africa today is much higher on the list of American priorities. This is not a favor to Africa. It is simply the result of an honest facing of realities in the maintenance of international peace and security.

America's relations with African countries have improved. Zambia's relations with the United States have improved. Conflict of views is being replaced by concord in the solution of current crises. Where America would have rushed to be involved in supporting a wrong cause, fighting by proxy any infestation of com-

munism, restraint has prevailed. Communications between us and the United States have been facilitated greatly by the removal of a number of obstacles that have stood in our way.

The Vietnam war is over. While the Middle East conflict remains unresolved, there is great recognition that the restoration of the rights of all people in that area, including the Palestinians, is essential for the establishment of lasting and just peace.

In southern Africa, there is greater understanding and acceptance that the interests of the United States of America will not be served by the status quo, but by a change in structural relations between white, black, and brown, in which no one race will be superior over the others.

America is playing a decisive role in the current initiatives to achieve independence for Zimbabwe and Namibia based on majority rule. President Carter and his administration have been most forthright in giving concrete expression to America's antiracist and antioppression policies.

Mr. President, we will support any genuine efforts designed to achieve peace based on freedom and justice and the enhancement of human dignity. We have never compromised our principles before, even in the face of great difficulties. We will not now do so.

We are strengthened and are resolved by the knowledge that the American Government and the many people of good will in this great country accept the principles which motivated the Founding Fathers to launch their revolution, which led to the Declaration of American Independence.

The same spirit and beliefs contained in the American Declaration of Independence motivate liberation movements. They want freedom and independence. We want mankind to be free, not only free from all forms of oppression and exploita-

tion of man by man but also free to do what we want and when we want within the law of the land.

This brings me to the subject of human rights, which President Carter has championed since coming to office. The struggle of all the people in the world, wherever they may be, is the struggle for the enhancement of human dignity. That the President of the United States should champion the cause of human rights is a source of great inspiration to all of us.

There are those who are cynical about the importance of morality in politics. I say they are wrong. I believe that unless morality occupies a higher place in deciding the fate of our fellow man and in shaping the destiny of mankind, the consequences are bound to be catastrophic. Without moral principles guiding decisionmakers, a nuclear war which haunts all of us will be more difficult to avoid. Mankind's happy future will depend on man's respect for man, on the moral correctness of man's actions towards other men.

We who come from that part of the world called southern Africa understand that when morals are removed from man's conscience, only a beastly heart is left behind. Without morals, man is not man, but a mere imitation of God's original design.

Therefore, I can only urge you, Mr. President, I can only urge the people of these United States to continue sounding the moral drums even louder and clearer.

We may not succeed now. But let us begin to root our decisions on the moral correctness of our actions. If we should leave the decisions to those who think only in terms of military, political, economic, or technological power, man will destroy the world faster than he really wants.

Mr. President, I do hope that this visit will help us bring our two countries and our two peoples much closer together in sharing the burdens of shaping man's future. I am glad that this visit provides the opportunity to identify the best route to our common goals.

May I ask you now to join me in this toast: To the President of the United States and the principles for which he stands; to the health of Madam Carter; to the friendship and cooperation between our two peoples; to peace, freedom, and justice throughout the world. President Carter.

PRESIDENT CARTER. Thank you very much.

NOTE: President Carter spoke at 9:10 p.m. in the State Dining Room at the White House.

## Dinner Honoring Senator Robert C. Byrd of West Virginia

*Remarks at the Dinner Sponsored by the  
West Virginia State Society. May 17, 1978*

I had a lot to do tonight but somebody said there might be a free fiddle concert. [Laughter] I would have been here earlier. We had President Kaunda, Kenneth Kaunda, from Zambia tonight. And we had finished our evening meal and the formal toasts, and we discovered that he's a guitar player. [Laughter] And he sang three songs for us. And then he gathered all of his cabinet around him and they sang a special song about revolution in south Africa. [Laughter] So, that made us a little tardy in arriving. If there's one audience that can understand this, it would be the people from West Virginia here. [Laughter]

In the life of a President, it's necessary to establish priorities, because the de-

mands on one's time and one's attention are very severe. And at this moment, I'm doing the thing that I believe is the highest priority in my life as President, and that is to join with you in paying my respects to one of the finest men and one of the greatest leaders I've ever known, Senator Robert Byrd. I don't believe that anyone can appreciate that kind of legislative experience and leadership and the trust of one's fellow Senators as much as can a new President who's not been in the White House very long, who has never lived nor served in Washington before, and who has so much to learn.

I came here about 16 months ago, leaning very heavily upon Senator Byrd for advice and counsel. At the time I got here my rating in the public opinion polls was 75. And after taking his advice for 16 months—[laughter]. I asked Bob the other day to explain the dramatic shift, and he said there was a rising level of lowered expectations. [Laughter]

After the first year of that political progress, I decided to reward Senator Byrd. We had a very difficult legislative agenda in 1977. And we decided to reward him, that we would avoid the controversial issues in 1978. [Laughter] So, as soon as the Panama Canal, Mideast arms sales, labor law reform are over, I told him the agenda would be quite uncluttered from then for the rest of the year. [Laughter]

I would like to say just a few additional words. He is a man who has a very keen interest and understanding of international affairs. Our country's policies are changing. A vivid example of that was the banquet that I just left. Our interest in Africa is growing and new. It's proper and it's benevolent. It's fair. Our dedication now is to the establishment of the same principles for the people of that tortured part of the world that we espouse here with our voices and sometimes with

our hearts, but had not espoused in the past with our tangible evidence of interest and courage.

Senator Byrd sees this very clearly. He's spent a lot of time with me and with Cy Vance, with Dr. Brzezinski, in private meetings, unpublicized meetings, to try to be part of a process of beneficial change throughout the world. Because of his past and present responsibilities in the Senate, he's had to understand all 50 States, the highly focused conflicts of interest and opinion, background and experience, concerns, fears, hopes, dreams, aspirations of an America that derives its strength from diversity. But it takes a statesman of superb qualities to be able to balance those potential conflicts.

Among a hundred Senators who are proud, who share with all fellow politicians some degree of ego, either for themselves personally or primarily for their people who trust them and have chosen them to lead, and the careful balancing of these forces in a democratic Senate requires the most superb judgment and sensitivity and, I would say, above all, the respect of those whom he leads.

There has to be absolute integrity, absolute truth, because any deviation from that standard would destroy the effectiveness of that leadership, and that's what he shows.

But I think in addition to his international and national interest and accomplishment, the thing that impresses me most is that he knows where his roots are.

I know when I'm in Liberia or when I'm in Germany or when I'm in South America, or traveling around in our great country, I remember Georgia and I remember Plains. And I derive a great strength from that base of trust and friendship, family, and I remember where my roots are.

And I think one of the most superb characteristics of Bob Byrd is his closeness to the people of West Virginia. You have honored him, but I think at least equally he has honored you.

NOTE: The President spoke at 10:25 p.m. at the Officers' Club at Bolling Air Force Base.

## Recording for the Blind, Incorporated

*Remarks on Presenting the Organization's  
Annual Scholarship Achievement Awards.  
May 18, 1978*

THE PRESIDENT. This is one of those delightful occasions that warms the heart of a President or any other person who loves our Nation and who admires great achievement and great courage.

I was one of the executive officers in the Lion's International Organization. And our major project, not only in this country but in more than 100 other nations, is concerning eyesight, the conservation of eyesight, and also the ability to meet the needs of those who happen to be blind, but who have an open heart and an open mind that can see and understand the world around them.

One of the most delightful achievements in our Nation is the development of a superb library of books and other materials for those who are blind, but who have not let this physical affliction interfere with their hunger for knowledge and the development of themselves.

There are several thousand volunteers in 29 centers around the country—one in Athens, Georgia; I just learned, one in Oak Ridge, Tennessee, where I'll be going this weekend—who record the texts of books of all kinds.

In addition, the organization that produces these library facilities for blind peo-

ple award scholarships each year for outstanding students who want to continue their education, who happen to be blind.

On my right are four of those students to whom I will present awards in a few moments. But I would like to congratulate them on behalf of their fellow citizens in our great country for demonstrating that there is no constraint on the achievement of a physically handicapped person. Not only have they honored me by coming, made their families proud, demonstrated the efficacy of a fine organization and its work, but they can act and do act as an inspiration to other Americans who want high achievement and who need additional courage and example to follow.

So, I want to congratulate all four of you and point out that these four future lawyers that—[laughter]—I am sure, will fill a very useful place in our society. And I look forward with great interest to having you join the ranks of those who believe in the finest aspects of the law and want to pursue justice, from the vantage point of one who knows a need for opportunity for all.

So, thank you again for coming and honoring me by your presence, and I will now give the achievement awards to each of you.

The first one is to Harry John Miller II. And, I'd like to read it first.

"The Board of Directors of Recording for the Blind, Incorporated, present this scholastic achievement award to Harry John Miller II in recognition of the extraordinary scholarship, determination, and intellectual vigor displayed in earning the degree of Bachelor of Arts from Arizona State University."

It's a great honor for me to present this to you.

MR. MILLER. Thank you very much, Mr. President. God bless you, sir.

THE PRESIDENT. Thank you. The envelope contains a check. [Laughter]

The next one is to Christopher John Palano. "The Board of Directors of Recording for the Blind, Incorporated, present this scholarship achievement award to Christopher John Palano in recognition of the extraordinary scholarship, determination, and intellectual vigor displayed in earning the degree of Bachelor of Arts from Clark University."

I present this to you with my congratulations and best wishes.

MR. PALANO. Thank you, Mr. President.

THE PRESIDENT. And now Marilyn Carol Rosenthal, who, by the way, will be the first blind woman to attend the Harvard Law School.

"The Board of Directors of Recording for the Blind, Incorporated, present this scholastic achievement award to Marilyn Carol Rosenthal in recognition of the extraordinary scholarship, determination, and intellectual vigor displayed in earning the degree of Bachelor of Arts from the Douglas College of Rutgers University."

Congratulations to you.

MISS ROSENTHAL. Thank you, Mr. President.

THE PRESIDENT. Good luck to you.

This next award is to John Britt DeLuca, who, I noticed, wears a Phi Beta Kappa key on his lapel. "The Board of Directors of Recording for the Blind, Incorporated, present this scholastic achievement award to John Britt DeLuca in recognition of the extraordinary scholarship, determination, and intellectual vigor displayed in earning the Bachelor of Arts degree from Duke University."

John Britt DeLuca, congratulations to you.

MR. DELUCA. Thank you very much.

PETER B. PUTNAM. Mr. President, some years ago, I remember attending an Independence Day celebration for Switzerland, and at the time, the person who spoke said this is a country with no natural resources, what it had was human resources. We've been very blessed with natural resources, but I still think our human resources are our most important asset.

And I would like to pay tribute to the volunteer readers who are the human resources to help develop these human resources, and they have been of extraordinary help to us. They're not just ordinary men and women, they are highly educated, highly skilled, highly trained.

And you mentioned our studio in Oak Ridge. We had to found that because we had to get nuclear scientists to read the kind of advanced mathematics and physics our students were studying. And they are extraordinary people.

We have an award that we give to our volunteers. And I don't know who in the world wants to wear a necktie today, but I would like you to have it. [*Laughter*]

THE PRESIDENT. Thank you very much. I might point out as a matter of interest that these four students on my right in their achievement of their bachelors degrees have studied and, I presume, mastered a total of 639 books, all recorded by volunteers and all included in the library of more than 35,000 volumes now available to blind people in our country.

So, I would like to congratulate all of you and express my appreciation, also, for the volunteers and others who make this wonderful program possible.

Thank you very much.

NOTE: The President spoke at 12:23 p.m. in the Rose Garden at the White House. Peter B. Putnam is president of Recording for the Blind, Inc.

## Federal Anti-Inflation Actions

*Memorandum From the President.*  
*May 18, 1978*

### *Memorandum for the Heads of Executive Departments and Agencies*

Inflation is a corrosive nation-wide problem, and yet the Federal Government's direct control over wages and prices is limited. If we are to expect labor and industry to join in voluntary restraints, then we must lead the way where we can.

I have already ordered pay raises reduced for Federal employees. To complement and balance this constraint on labor in the public sector, I am now ordering additional anti-inflation actions through the Federal Government's \$81 billion annual purchases of goods and services.

Like any consumer, the Government must react to high costs and the inflationary spiral. If goods or services are priced too high, the Government must decide whether it can do without certain things, or whether it can delay purchases. Therefore, I hereby direct all Agencies to avoid or delay the purchase of those goods or services whose prices are rising rapidly. The only exceptions will be where such action (1) would seriously jeopardize our National defense, or (2) would cause serious and counterproductive unemployment problems; and suitable alternatives or substitutes are not available.

In addition, I am directing that price escalation clauses of all new or renegotiated Federal contracts reflect the principle of deceleration. This will slow the built-in spiral of inflation in several billion dollars worth of purchases.

These new procurement procedures, and others to come, will be carried out by

OMB's Office of Federal Procurement Policy in cooperation with the Agencies.

JIMMY CARTER

## Special Session of the United Nations General Assembly on Disarmament

***Announcement of Vice President Mondale's  
Address at the Special Session.  
May 18, 1978***

President Carter has asked Vice President Walter F. Mondale to address on behalf of the United States the United Nations General Assembly Special Session on Disarmament.

The Vice President will deliver the United States address on May 24, 1978, in the United Nations General Assembly.

The Special Session was convened in order to emphasize the importance of making progress in the field of arms control and to provide impetus for future arms control negotiations. It is the largest conference ever convened devoted exclusively to questions of arms control.

President Carter has stated the determination of the United States to make a positive contribution to the work of the conference. The Vice President's participation underscores the importance the United States attaches to the Special Session on Disarmament.

## Small Business Conference Commission

***Executive Order 12061. May 18, 1978***

By the authority vested in me as President by the Constitution of the United States of America, and in order to create in accordance with the Federal Advisory Committee Act (5 U.S.C. App. I) an ad-

visory committee on a White House Small Business Conference, it is hereby ordered as follows:

### 1-1. *Establishment of Commission.*

1-101. There is established a Small Business Conference Commission. The Commission shall be composed of five members.

1-102. The members of the Commission shall be appointed by the President. The President shall designate a Chairman from among the members.

### 1-2. *Functions of the Commission.*

1-201. The Commission shall recommend appropriate alternate dates for holding a White House Conference on Small Business in the Fall of 1979.

1-202. The Commission shall recommend issues to be considered by the Conference, including those relating to fostering of small business and the expansion of opportunities for entry into small business enterprises.

1-203. The Commission shall recommend candidates for delegates to the Conference. It shall seek the majority of representatives from those engaged in small business activity, but shall also include others interested in small business concerns, such as government regulators, financiers, public interest and academic representatives.

1-204. Prior to the White House Conference on Small Business, the Commission shall hold open regional and local meetings or conferences. These open meetings shall seek to identify the specific issues which should be addressed at the Conference and shall solicit candidates for Conference delegates.

1-205. The Commission shall make periodic recommendations to the President and the Administrator of the Small Business Administration, and shall offer such other advice at such times as the Administrator may request.



1-3. *Administrative Provisions.*

1-301. The Commission may request any Executive agency to furnish such information as may be useful in fulfilling the Commission's functions. Each such agency is authorized, to the extent permitted by law and within the limits of available funds, to furnish such information to the Commission.

1-302. Each member of the Commission who is not otherwise employed by the Federal Government shall receive no compensation from the United States by virtue of their service on the Commission, but all members may receive transportation and travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5702 and 5703).

1-303. All necessary administrative staff services, support, facilities, and expenses of the Commission shall, to the extent permitted by law, be furnished by the Small Business Administration.

1-4. *General Provisions.*

1-401. Notwithstanding the provisions of any other Executive order, the functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I), except that of reporting annually to the Congress, which are applicable to the Commission shall be performed by the Administrator of the Small Business Administration in accordance with guidelines and procedures established by the Administrator of General Services.

1-402. The Commission shall terminate on December 31, 1979, or 60 days after the conclusion of the White House Conference on Small Business, whichever is sooner.

JIMMY CARTER

The White House,  
May 18, 1978.

[Filed with the Office of the Federal Register,  
11:02 a.m., May 19, 1978]

## Nuclear Regulatory Commission

*Nomination of John F. Ahearne To Be a  
Member. May 18, 1978*

The President today announced that he will nominate John F. Ahearne, of McLean, Va., to be a member of the Nuclear Regulatory Commission. Ahearne would serve the remainder of the term expiring June 30, 1978, replacing Edward Mason, resigned, and would also serve for a 5-year term expiring June 30, 1983.

Ahearne was born June 14, 1934, in New Britain, Conn. He received a B.S. in engineering physics from Cornell University in 1957, an M.S. from Cornell in 1958, and an M.A. (1963) and Ph. D. (1966) in physics from Princeton University.

From 1964 to 1969, Ahearne was an associate professor of physics at the U.S. Air Force Academy and adjunct professor of physics at the University of Colorado Extension. In 1969 and 1970, he was a staff member in the Air Defense Division of the Office of the Assistant Secretary of Defense for Systems Analysis. From 1970 to 1972, he was Director of the Tactical Air Directorate in that office.

From 1972 to 1975, Ahearne was Deputy Assistant Secretary of Defense for General Purpose Programs in the Office of the Assistant Secretary of Defense (Program Analysis and Evaluation). From 1975 to 1977, he was Principal Deputy Assistant Secretary of Defense in the Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs. Since 1977 he has been on the staff of the White House Energy Policy and Planning Office, working on the nuclear and conservation portion of the National Energy Act.

## National Transportation Policy Study Commission

***Appointment of William H. Tucker as a Member. May 18, 1978***

The President today announced the appointment of William H. Tucker, of Boston, Mass., as a member of the National Transportation Policy Study Commission.

Tucker, 54, is an attorney in Boston. He is a former Chairman of the Interstate Commerce Commission and has also served as vice president in charge of Penn Central's Residual Rail Asset Department.

## Counsellor to the President on Aging

***Announcement Issued Following a Meeting With the Ad Hoc Leadership Council of Aging Organizations. May 18, 1978***

In his meeting with the Ad Hoc Leadership Council of Aging Organizations today, the President outlined the following points about his objectives in establishing the position of Counsellor to the President on Aging:

—To ensure that he will have placed before him proposed initiatives in the field of aging designed not only to meet the needs of older persons but also to make it possible for the Nation to benefit from the unique contributions that older persons can make to the strengthening of our Nation by opening up opportunities for their continued involvement in the life of our day.

—To ensure that whenever policy issues are presented to him in such areas as social security, employment, housing, health, transportation, and welfare, he

will be reminded of the impact that proposed solutions will have on the lives of older persons.

—To have placed before him proposals designed to make it possible for him to make the maximum possible contribution to coordinating programs in the executive branch that have an impact on the lives of older persons.

—To have a personal representative who can present his views on issues in the field of aging to the departments and agencies of the executive branch, to the Members of Congress, and to representatives of organizations in both the public and private sectors.

The President also noted that he has designated the Counsellor as Chairman of the Federal Council on the Aging. Putting these two functions in the hands of one person will make it possible for the Counsellor to present to the President a broad consensus of views in the field of aging that are represented by the membership of the Federal Council on the Aging.

## Security Assistance to Zaire

***Memorandum From the President. May 18, 1978***

Presidential Determination No. 78-11

### *Memorandum for the Secretary of State*

Pursuant to the authority vested in me by Section 25 of the International Security Assistance Act of 1977, I hereby determine that:

(a) The furnishing to Zaire of not to exceed \$2,500,000 in international military education and training for the fiscal year 1978 under chapter 5 of part II of the Foreign Assistance Act of 1961, the extension to and utilization by Zaire of not to exceed \$17,500,000 for the fiscal

year 1978 in credit under the Arms Export Control Act, and the utilization by Zaire of the uncommitted balance of credit extended to Zaire under the Arms Export Control Act in any prior fiscal year, are important to the national security interests of the United States; and

(b) Such assistance should be furnished to Zaire in the national security interests of the United States.

You are requested on my behalf to report this determination to the Congress, as required by law. You are also requested to keep the Congress fully and currently informed on the specific details of how the assistance to Zaire is utilized.

This determination shall be published in the FEDERAL REGISTER.

JIMMY CARTER

[Filed with the Office of the Federal Register, 3:45 p.m., May 22, 1978]

## Prayer for Peace, Memorial Day, May 29, 1978

**Proclamation 4572. May 19, 1978**

*By the President of the United States of America*

### A Proclamation

We pause at this time of year to remember those who sacrificed their lives over the last two centuries to preserve America's freedoms.

We honor them today for their faith in the principles of liberty and justice which motivated our founding fathers, and must motivate us today.

The highest tribute we can pay those who fought and sometimes died for our country is to strengthen in time of peace those values for which they struggled in time of war.

Let us pray for peace, but let us also vow that, if the test of unavoidable com-

bat should ever come again, we will meet it with courage, and devotion to our country.

Now, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate Memorial Day, May 29, 1978, as a day for all Americans to join together in prayer for lasting peace. To that end, I designate the hour beginning in each locality at 11 o'clock on the morning of that day as the appropriate time for the American people to unite in prayer.

I call upon the appropriate officials of all levels of government to fly the flag at half-staff until noon during Memorial Day on all buildings, grounds, and naval vessels throughout the United States and in all areas under its jurisdiction and control. I request the people of the United States to display the flag at half-staff from their homes and other suitable places for the same customary forenoon period.

IN WITNESS WHEREOF, I have hereunto set my hand this nineteenth day of May, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 4:11 p.m., May 19, 1978]

## Presidential Election in the Dominican Republic

**Statement by the President. May 19, 1978**

I am seriously concerned about events surrounding the election in the Dominican Republic and have been in touch with the Presidents of several neighboring countries in Latin America and with the Secretary General of the Organization of American States (OAS) concerning the

election procedures. We share a common concern for the integrity of the democratic process. I retain my hope that the legally constituted electoral authorities in the Dominican Republic will be able to carry out their responsibilities without interference and that the outcome of the elections will be respected by all. We will be examining the report of the three prominent observers invited to witness the election process. The degree of our country's support for the Dominican Government will depend upon the integrity of the election process.

NOTE: The Dominican Republic National Police stopped the counting of ballots shortly after the presidential election, which was held on May 16. After the count had resumed, Antonio Guzmán was declared the winner over incumbent President Joaquín Balaguer.

## United States Development Assistance Programs

### ***Announcement of Administrative Reorganization of the Programs.*** **May 19, 1978**

The White House announced today an administrative reorganization of the Government's development assistance programs. As a first step in implementing the plan, the President met Thursday, May 18, 1978, with senior representatives of the departments and agencies who will assist Gov. John Gilligan, Administrator of the Agency for International Development, in coordinating all foreign aid programs.

The President has designated Governor Gilligan to serve as his and the Secretary of State's principal adviser on development programs and policy, and to be the executive branch's principal spokesman to the Congress on development assistance. The Administrator will have a voice in all economic decisions having a major im-

pact on developing countries.

The President directed Governor Gilligan to prepare annually an aid policy statement. The statement will show how different types of U.S. aid to be sought from the Congress will be related to each other. It will be used, in conjunction with non-aid policies affecting the less developed countries, to advance U.S. purposes and policies. This statement will be reviewed at the Cabinet level by the Policy Review Committee of the NSC and submitted to the President for approval. Once approved by the President, this statement will constitute general guidance for all departments and agencies concerned in preparing their budget requests and managing their programs. It will also provide the basis for a comprehensive and coordinated approach to the Congress concerning all requests for funding of resource transfers to developing countries.

An expanded Development Coordinating Committee has been formed to assist the Administrator in carrying out these functions and in coordinating U.S. development assistance programs and policies. This deputy or assistant secretary-level Committee will have staff and subcommittees, as necessary, to discharge its functions. It will deal with issues of bilateral aid, multilateral aid, PL-480, aid for certain international organizations, and legislative strategy and tactics.

The President spoke at the first meeting of this Committee on May 18 about the need for close interagency coordination. He stressed his confidence in Governor Gilligan and his hope that by greatly strengthening the interagency coordination mechanism, the effectiveness of development policy and assistance can be greatly improved. These arrangements reflect some of the suggestions for enhancing aid coordination and effectiveness made in the bill introduced for this purpose by the late Senator Humphrey.

## National Architectural Barrier Awareness Week

*Letter to Members of the National  
Association of Theater Owners.  
May 19, 1978*

### *To the Theater Owners of America*

America loves to go to the movies, but many people in our country who would like to go to the movies cannot. Even two steps at the theater entrance pose insurmountable obstacles to many handicapped people.

During National Architectural Barriers Week, all Americans are being called upon to recognize those barriers that physically and psychologically keep handicapped Americans from full participation in our society. I am calling on all Americans to do everything possible to eliminate such barriers. I commend your president's call on theater owners to improve the access to motion picture theaters for the handicapped. I urge the American business community to follow your voluntary example by creating more accessible facilities.

The National Architectural and Transportation Compliance Board here in Washington will be glad to provide information and advice on how you can make your theaters more accessible to the physically handicapped. Also, the Tax Reform Act of 1976 allows a tax deduction up to \$25,000 for businesses that make facilities accessible to the handicapped. This deduction is available through 1979.

I congratulate you on your leadership and on your efforts to help build a barrier-free America.

JIMMY CARTER

NOTE: The President proclaimed the week of May 21–27, 1978, as National Architectural Barrier Awareness Week by Proclamation 4566,

of April 25. The text of the proclamation is printed on page 774 of this volume.

In response to the proclamation, Marvin Goldman, president of the National Association of Theater Owners, issued an open letter to members of the association calling on them to do all that they can to eliminate physical barriers in movie theaters across the country.

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *May 13*

The President was represented at the memorial services in Rome for former Italian Prime Minister Aldo Moro by Secretary of Health, Education, and Welfare Joseph A. Califano, Jr., head of the delegation; Senator Pete V. Domenici of New Mexico; Representative Frank Annunzio of Illinois; and Richard N. Gardner, U.S. Ambassador to Italy.

### *May 14*

The President returned to the White House after a weekend stay at Camp David, Md.

### *May 15*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- Nelson H. Cruikshank, Counsellor to the President on Aging;
- Secretary of Labor F. Ray Marshall;

*Administration of Jimmy Carter, 1978*

- Secretary of the Interior Cecil D. Andrus;
- Vice President Walter F. Mondale;
- Armand Hammer, chairman of the board of Occidental Petroleum Corp.;
- Democratic National Chairman John C. White.

The President attended a portion of the meeting of the Interagency Coordinating Council in the Roosevelt Room at the White House.

*May 16*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- the bipartisan congressional leadership;
- Postmaster General William F. Bolger;
- Vice President Mondale, Secretary of State Cyrus R. Vance, Secretary of Defense Harold Brown, Adm. Stansfield Turner, Director of Central Intelligence, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski.

The President attended a 1980 Federal Budget overview session in the Cabinet Room at the White House.

The President has designated S. David Freeman as Chairman of the Board of Directors of the Tennessee Valley Authority. Mr. Freeman has been a member of the Board of Directors since last August.

*May 17*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Secretary Andrus, Gov. William G. Milliken of Michigan, chairman of the National Governors' Association,

and Western State Governors who are members of the association's subcommittee on water management, to discuss water policy;

- Texas Attorney General John Hill, Democratic nominee for the gubernatorial election.

*May 18*

The President met at the White House with:

- Dr. Brzezinski;
- Mr. Moore;
- Resident Commissioner Baltasar Corrada and Gov. Carlos Romero Barcelo of Puerto Rico;
- President Kenneth D. Kaunda of Zambia;
- Ambassador Berndt von Staden of the Federal Republic of Germany and Gotthilf Fischer, head of the Fischer Choir from West Germany;
- Dr. Mario E. Ramirez, the American Academy of Family Practice's "Family Doctor of the Year."

The White House announced that Jerry Rafshoon will be joining the White House staff as Assistant to the President for Communications.

*May 19*

The President met at the White House with:

- Vice President Mondale, Secretary Vance, and Mr. Jordan;
- David L. Aaron, Deputy Assistant for National Security Affairs;
- Mr. Moore;
- Senators Russell B. Long of Louisiana, Herman E. Talmadge of Georgia, and Abraham Ribicoff of Connecticut, and Secretary Califano;
- a group of Democratic State chairmen;

- Administrator of Veterans Affairs Max Cleland and representatives of national veterans organizations;
- Senator John C. Stennis of Mississippi;
- a group of editors and news directors (transcript will be printed next week).

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## NOMINATIONS SUBMITTED TO THE SENATE

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

### Submitted May 15, 1978

The following-named persons to be members of the National Council on Educational Research for the terms indicated:

*For a term expiring September 30, 1979*

CARL H. PFORZHEIMER, JR., of New York, vice Ralph M. Besse, term expired.

WILSON C. RILES, of California, vice Ruth Hurd Minor, term expired.

*For a term expiring September 30, 1980*

ALONZO A. CRIM, of Georgia, vice Larry A. Karlson, term expired.

BETSY LEVIN, of North Carolina, vice Carl H. Pforzheimer, Jr., term expired.

CATHERINE C. STIMPSON, of Washington, vice Wilson C. Riles, term expired.

### Submitted May 17, 1978

RUSSELL T. BAKER, JR., of Maryland, to be United States Attorney for the District of Maryland for the term of 4 years, vice Jervis S. Finney, resigning.

The following-named persons to be Representatives of the United States of America to the Tenth Special Session of the General Assembly of the United Nations Devoted to Disarmament:

ANDREW J. YOUNG, of Georgia

W. AVERELL HARRIMAN, of New York

GEORGE MCGOVERN, United States Senator from the State of South Dakota

CHARLES W. WHALEN, JR., United States Representative from the State of Ohio

PAUL NEWMAN, of Connecticut

## NOMINATIONS—Continued Submitted May 17—Continued

The following-named persons to be Alternate Representatives of the United States of America to the Tenth Special Session of the General Assembly of the United Nations Devoted to Disarmament:

ADRIAN S. FISHER, of the District of Columbia

JAMES F. LEONARD, JR., of New York

CHARLES MCC. MATHIAS, United States Senator from the State of Maryland

PAUL SIMON, United States Representative from the State of Illinois

MARJORIE CRAIG BENTON, of Illinois

SHANE DEVINE, of New Hampshire, to be United States District Judge for the District of New Hampshire, vice Hugh H. Bowens, elevated.

The following-named persons to be members of the Federal Farm Credit Board, Farm Credit Administration, for the terms indicated:

*For a term expiring March 31, 1984*

GEORGE WARREN LACEY, of Montana, vice E. Riddell Lage, term expired.

JOHN D. NAILL, JR., of Arkansas, vice Melvin E. Sims, term expired.

*For the remainder of the term of 6 years expiring March 31, 1979*

DWIGHT L. TRIPP, JR., of Maine, vice Luther W. Jennejohn, deceased.

The following-named persons to be members of the National Commission on Libraries and Information Science for the terms indicated:

*For a term expiring July 19, 1981*

ROBERT W. BURNS, JR., of Colorado, vice Andrew A. Aines, term expired.

HORACE E. TATE, of Georgia, vice Catherine D. Scott, term expired.

*For a term expiring July 19, 1982*

JOAN HELENE GROSS, of New York, vice Ralph A. Renick, term expired.

CLARA STANTON JONES, of Michigan, vice Louis A. Lerner, term expired.

FRANCES HEALY NAFTALIN, of Minnesota, vice Martin Goland, term expired.

### Submitted May 19, 1978

JOHN FRANCIS AHEARNE, of Virginia, to be a member of the Nuclear Regulatory Commission for the remainder of the term expiring June 30, 1978, vice Edward A. Mason, resigned.

JOHN FRANCIS AHEARNE, of Virginia, to be a member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1983 (reappointment).

*Administration of Jimmy Carter, 1978*

**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released May 14, 1978**

Announcement: personnel accompanying Zbigniew Brzezinski, Assistant to the President for National Security Affairs, on his trip to Asia

**Released May 16, 1978**

Announcement: nomination of Russell T. Baker, Jr., to be United States Attorney for the District of Maryland

**Released May 17, 1978**

News conference: following their meeting with the President and representatives of the National Governors' Association to discuss water policy—by Secretary of the Interior Cecil D. Andrus and Governor Scott M. Matheson of Utah

Announcement: nomination of Shane Devine to be United States District Judge for the District of New Hampshire

**Released May 18, 1978**

News conference: on the anti-inflation program—by Robert S. Strauss, Special Representative for Trade Negotiations

**Released May 19, 1978**

News conference: on the administration's proposal for a targeted employment tax credit—by Vice President Walter F. Mondale, W. Michael Blumenthal, Secretary, and Emil M. Sunley, Deputy Assistant Secretary for Tax Analysis, Department of the Treasury

**CHECKLIST—Continued  
Released May 19—Continued**

Text: letter from 47 Members of Congress to the President concerning Federal civil service reform

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved May 15, 1978**

H.R. 6782----- Public Law 95-279

An act to provide emergency assistance to producers of wheat, feed grains, and upland cotton, and for other purposes.

S. 482----- Public Law 95-280

An act to direct the Secretary of the Interior to purchase and hold certain lands in trust for the Zuni Indian Tribe of New Mexico, and to confer jurisdiction on the Court of Claims with respect to land claims of such tribe.

S. 661----- Public Law 95-281

An act to reinstate the Modoc, Wyandotte, Peoria, and Ottawa Indian Tribes of Oklahoma as federally supervised and recognized Indian tribes.

H.R. 1552----- Private Law 95-37

An act for the relief of Oh Soon Yi.

**Approved May 16, 1978**

S. 422----- Private Law 95-38

An act for the relief of the First Baptist Church of Paducah, Kentucky.

**Approved May 19, 1978**

H.J. Res. 859----- Public Law 95-282

A joint resolution making supplemental appropriations for the United States Railway Association for the fiscal year ending September 30, 1978, and for other purposes.



# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, May 26, 1978

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## Interview With the President

*Remarks and a Question-and-Answer Session  
With a Group of Editors and News Directors.  
May 19, 1978*

THE PRESIDENT. Good afternoon, everybody. Thank you very much for coming to the White House to see us. Bill [William Shipp, Atlanta Constitution], how are you doing? How are things in Atlanta?

What I'd like to do just for a very brief period of time is to outline a few of the items that are involved in my duties, both in the Congress and internationally, and then answer your questions.

### ADMINISTRATION POLICIES

We've lately been trying to deal satisfactorily, and within the complete bounds of the law, with the question of Zaire and the invasion of Zaire by Katanganese who came in from Angola.

We have a very limited role to play there. We are involved in providing some logistical support for removing, because of humanitarian reasons, some of the nationalists—nationals who are located in the Kolwezi area. The French and Belgians, with the support and participation of the Mobutu Zairian Government, are attempting to evacuate those nationals

whose lives are endangered. We are providing support only in the noncombat zone. The nearest approach, I think, to Kolwezi by our airplanes is about 200 kilometers.

This would be a limited involvement. We've consulted very closely with the Members of Congress, and I'm sure that it will be successful.

We've also been approaching the Congress on some other foreign policy matters this year. Two major ones that have already been resolved are the Panama Canal treaties and the sale to the Middle East countries of arms.

We've also decided to ask Congress to terminate the Turkey arms embargo, which I consider to be a crucial decision for the strengthening of ties between Greece and NATO—between Turkey and NATO, between Greece and Turkey, and to help us resolve the Cyprus issue.

We will be preparing—I've spent a lot of time preparing for a NATO conference here, the last days of this month. It will be much broader in scope than previous NATO conferences. The heads of the nations will be here with me, around this very table at times, and will analyze the long-range thrust of the NATO defense agreements and resolve

some issues that have arisen among us and which ordinarily are addressed through bilateral conversations between me and other NATO government heads of state.

Congress is dealing with the budget and with the energy question. We hope that we'll have an early resolution of the natural gas pricing and deregulation proposal which has been the most difficult issue of all. That will still leave the question of the crude oil equalization tax, which is to be decided by a separate committee, at least from the Senate point of view.

We have civil service reform proposals now in the House and Senate. As far as legislation goes, I consider this to be the most important issue in reorganization effort. We're trying to make the bureaucracy and the Federal Government more responsive and more manageable.

As I've said several times, it's much worse than I thought it was before I got here. *[Laughter]* And I think that to give very dedicated career civil servants an opportunity to do a better job and to be rewarded when they do a good job, and also to encourage those who aren't performing well to perform better, to give our managers authority among the personnel, civil service, will be a major step in the right direction. This is in the Post Office and Civil Service Committee in the House, and the Government Operations Committee in the Senate. And we are spending a lot of time getting ready for this vote, which I hope and expect to be favorable.

We've got many other issues at stake. I think in order to save time, since I came in here a little bit late, I'll answer your questions, and then address more directly those questions that are very important to you.

I might say, before I take the first question, that I have enjoyed being President.

*[Laughter]* It's a full-time job, I've discovered. But there are pleasant working conditions, as you can see. I don't have to ride very far to get to work. I think it's kind of brought our family together. Rosalynn has been an equal partner with me in many ways. And she's presently involved to a major degree in building up volunteer work in the improvement of the quality of life in our communities, around the country, of all sizes. She's studying Spanish and has made two or three trips to Spanish-speaking countries to the south with great effectiveness, I think.

And I've got a superb Cabinet. There's not a single member of my Cabinet that I would want to change. And my hope is all of them will stay here as long as I'm in the White House. I've got a good staff, solid.

So, I've enjoyed the job, and I never got up out of bed yet that I didn't look forward to the day. Sometimes I've been disappointed after I got up. *[Laughter]*

## QUESTIONS

YURI ORLOV

Q. Mr. President, may we have your personal reaction to the trial of Yuri Orlov in the Soviet Union?

THE PRESIDENT. Yes. The State Department, with my approval, has issued a statement on this subject. We are deeply disturbed about this action by the Soviet Union, which in my opinion subverts the spirit of the Helsinki agreement concerning human rights. Orlov was a Soviet citizen who organized a group to monitor compliance with the so-called third basket in the Helsinki agreement, which was signed not only voluntarily but with a good bit of publicity on the part of the Soviet Union.

We are concerned about the severity of the sentence, the secrecy of the trial,

and the apparent abuse that Mrs. Orlov suffered during the conduct of the trial. We've expressed our concern in clear terms to the Soviet Government.

NUCLEAR POWER

THE PRESIDENT. Well, I haven't paign, you said that nuclear power should be America's last energy resort. When and why have you changed your position?

THE PRESIDENT. Well, I haven't changed my position. I always made it clear when I said that, that our first emphasis ought to be on conservation. Our second emphasis ought to be on saving oil and natural gas, which are getting very rapidly depleted and the production of which in our country has been going down steadily and inexorably, I think; that we should increase our production of coal and renew an effort to encourage additional use of solar power, cut down on imports, and to the extent that all those efforts are not successful, we ought to make up the difference with atomic power.

But I always made it clear and still feel that there is a significant role to be played by nuclear power.

I was involved to some degree in evolution of peaceful nuclear power uses, and I know that in some parts of the country, like around Chicago, about 50 percent of the total power comes from nuclear plants. I'm very interested in TVA. I'm going to be down in TVA, the national headquarters, on Monday.

Six plants are being prepared for construction in the TVA program. I support this. We've tried to expedite the licensing procedure, but at the same time do all these other matters which I think would minimize the need for nuclear power.

Q. Isn't more of the research money still going into nuclear power than such things as solar and geothermal?

THE PRESIDENT. No. Compared to what the Congress has authorized previously, we've had a substantial increase in other forms of energy, as far as the budget is concerned, on research and development. I think for the first time now, we've gotten nuclear power research and development down to less than half of the energy budget.

But I think, as you probably have noticed, there's a much more fervent commitment to some very wasteful projects, like the Clinch River Breeder Reactor, in the Congress than I have. I would like to terminate the Clinch River Breeder Reactor and have tried to, and the Congress has so far overridden my objections to it.

I do think we ought to continue to keep open the option of breeder reactors. And we have a very heavy allotment of funds available for research and development in that field. But to tie down a specific design and start constructing an operating plant now when we do not need it, I think, is a very large and unnecessary waste of money.

EQUAL RIGHTS AMENDMENT

Q. Mr. President, Congress is currently struggling with the difficult issue of, if the equal rights amendment is fair, is the extension of ratification fair. What's your opinion?

THE PRESIDENT. I strongly favor the passage of the equal rights amendment—

Q. What about the extension of ratification?

THE PRESIDENT. —and I hope that it passes. If it becomes obvious that it wouldn't pass, then I would favor the extension of the law.

Q. Mr. President?

THE PRESIDENT. Yes, Bill.

CUBAN AND SOVIET INVOLVEMENT IN  
AFRICA

Q. Is the United States responding in any way to the continued Soviet-Cuban adventures in Africa? Are we doing anything to discourage that specifically?

THE PRESIDENT. Yes. I think you probably know that the Congress placed very tight constraints on the President and any initiatives that can be taken, in the aftermath of the Vietnam war and the aborted effort to move into Angola after they got their independence from the Portuguese.

I favor a lot of those constraints. The War Powers Act suits me fine, where the President cannot initiate military action without consultation with the Congress. I think this is good.

But within the bounds of the present law, which we are honoring rigidly, we are doing all we can. One of the real needs is to have more public support for foreign aid programs. I don't know of any issue that has less political support than that program itself, foreign aid in all its forms.

The Soviets and the Cubans are quite eager to provide military weapons to any group in a country where they might see a foothold there opening for them in the future for increased influence. And the Soviets are very eager to send Cuban troops, actually to be involved in the fighting. And the Cubans respond without reticence.

In order to meet that challenge, we depend upon our own voice to express our concern to the Soviets through my own public statements, through private correspondence between me and Brezhnev, through diplomatic channels, through the voices and influence of our allies around the world who want to see an absence of military action and outside interference.

We try to strengthen the Organization of African Unity and prevail upon the black leaders of Africa that the issues in that continent can be best resolved by leaders who live in Africa. We have tried, since I've been in office, I think in an innovative way, to increase our own routine involvement in Africa, not just go in there at the last stages after a crisis has occurred.

I received overwhelming welcome, for instance, in Nigeria, whereas a few years ago—3 years ago, I think—the Nigerians refused to let Secretary Kissinger come into their country. And I think whereas Kaunda, who's here now from Zambia, has been highly critical of our Government and our policies in the past, now he's very supportive and very constructive.

We are trying to honor the legitimate demand of black Africans for their own voice, on an equal basis with other citizens in the shaping of government policy and the election of their own leaders and in the determination of their own future, their own destiny.

Majority rule, one person, one vote principles that we espouse so fervently here in our country, we are trying to espouse those same rights in Africa. To the extent that we fail to do that, it opens up an avenue for enhanced intrusion by the Soviets and the Cubans on a default basis.

We are working much more closely in harmony now with European leaders. For instance, in settling the Namibia question, we have a five-person committee working under the aegis of the United Nations—ourselves, Canada, Britain, France, West Germany—who are dealing directly with the South Africans and directly with the SWAPO organization. We have combined our efforts with the British in trying to resolve the Rhodesian question fairly, with open elections, free, so that any person can participate who chooses,

and where the same basic form of elections can be held as are held here and in Great Britain.

We work with others who are interested in peace in Africa. The Saudi Arabians have been very helpful in providing some nonmilitary aid when countries get in bad economic circumstances. We are trying to help nations that have a one-commodity export dependence, like the Zambians with copper, and so forth, to have a much more stable market, better reserves.

So, in every possible way, on a peaceful basis, we cooperate with nations in need so they don't have to turn to the East, to the Soviets and through their surrogates, the Cubans, for help.

We are watching with great interest and concern now the degree of Soviet involvement in the internal matter in Ethiopia concerning the Eritreans. The Cubans, for instance, claim to be a non-aligned country. It's obvious that they are not nonaligned. They are the most heavily dependent and subservient countries that the Soviet Union, which I am aware of, certainly outside the Eastern Bloc itself. And we point this out frequently when we have visitors here from, say, Romania, or from Yugoslavia. We point out that military presence of the Cubans in Africa is inimicable to peaceful progress and is an unwarranted intrusion.

So, through all these matters we try to meet that challenge on a nonmilitary basis. We have a limited ability to supply defensive weapons to those countries, under very tight constraint from laws that control my actions, and we take advantage of that. So, those are some of the things we are doing, Bill, that I think are adequate.

I might make one other point that I made in Spokane the other day, and that

is that in the long run we have an advantage, because I think we have a much more natural affinity for and compatibility with the black people of Africa than do the Soviets. They know that in the long run their economic well-being, democratic principles, basic human rights can be better guaranteed through a relationship with the Western democracies than with the Eastern totalitarian countries. And in many instances those leaders in Africa are deeply religious people, and they have some reluctance about affiliating themselves with the atheistic governments of Cuba and the Soviet Union. Those are some of the distinctions that are drawn between us and them.

#### NATURAL GAS DEREGULATION

Q. Mr. President, I'm from an oil- and gas-producing county in Texas. I wonder what the outlook is for the energy policy and deregulation of natural gas?

THE PRESIDENT. I think at this point it looks much better than it has in months. We've seen the two committees, two conference committees, the House and Senate, being almost exactly equally divided. As you know, the Senate committee, when it began to confer, was divided 9 to 9. And the unfortunate death of one of the committee members is the only thing that relieved the tie.

We've had the House committee conferees recently divided, I think, 13 to 13. And I know we've needed 13 votes to prevail. We see a prospect of step-by-step deregulation of natural gas at a rate of the inflation plus 4 percent, to be completed in early 1985 with, I think, adequate protection for consumers. And this would round out the fourth major element among the five in our comprehensive energy package. The one remaining, as I said, would deal with oil pricing.

So, I think at this time the prospect for success in the conference committee is very good. It's the first time I've been able to say that in 13 months.

#### DOMINICAN REPUBLIC

**Q.** Mr. President, what, if anything, has been a new development in the Dominican Republic vote?

**THE PRESIDENT.** There have been three very distinguished citizens there who were invited in to monitor the outcome of the election and the proper procedures used, headed by Galo Plaza, who's a former executive secretary of the OAS—Secretary General. I understand that they are now on the way back to OAS headquarters.

We have expressed, through diplomatic channels and publicly, our deep concern about the interference in the electoral process by the Dominican Republic military. We've been assured repeatedly by Balaguer, the incumbent President, that the votes would be counted and counted honestly and that he would abide by the result of the election. Our impression is that the military does not want Guzmán to be elected President. They want Balaguer to stay in office. And the military are the ones who have interfered.

If it becomes obvious to us, after we analyze the procedures used in the election, that the will of the Dominican people has been subverted by illegalities or unwarranted interference in the democratic election process, this would have a major effect on the support that we would give to the future Dominican Government, and my guess is that we would turn then, also, to the Organization of American States for a thorough investigation of what did occur there.

We are quite concerned about this—we, the Venezuelans, the Colombians, the Costa Ricans, and others—because we be-

lieve so deeply that democracy must be improved among the nations of Latin America on their own initiative. We're not trying to interfere in the internal affairs of another country. But there are four other nations who presently are committed to democratic elections in the future, who now have military governments in varying forms. And I think if we should have a demonstration in the Dominican Republic, which is a very good democracy up until now, that those principles don't prevail, it would have an adverse effect on the entire Southern Hemisphere.

So, we are deeply concerned about it. We'll do all we can without interfering directly in the internal affairs of the Dominican Republic to let our concern be felt in a beneficial way.

#### PEOPLE'S REPUBLIC OF CHINA

**Q.** Is this country about to establish full diplomatic relations with Mainland China?

**THE PRESIDENT.** We don't know yet. Ever since President Nixon's highly publicized visit to the People's Republic, we have lived under the so-called Shanghai Communique commitments. I have reconfirmed my approval of those agreements, which do call for a normalization of relationships with the People's Republic of China.

Dr. Brzezinski is not going to Peking to negotiate normalization. He's going there to exchange ideas, to try to build up a better relationship between ourselves and the People's Republic, to enhance trade, to search out mutual interests that we have around the globe, and to let there be a better understanding between us and the people of Mainland China.

We recognize under the Shanghai Communique that there is one China. We insist that any differences between Taiwan

and the Mainland be resolved peacefully, and we don't know yet with what degree of success the move toward normalization can be expedited. We just don't know yet.

RELATIONS WITH THE CONGRESS

Q. You mentioned earlier that reforming the civil service had been more than you anticipated.

THE PRESIDENT. No, I said that the problems in the bureaucracy had been more than I anticipated.

Q. Has your education in dealing with the Congress been similar?

THE PRESIDENT. No, I've had a good relationship with the Congress. I think when this term is concluded, for instance, and an inventory is made of what achievements we've realized, there will be a recognition that my relationship with the Congress has been very good. We've had some very difficult issues that we've addressed, some highly controversial matters and some hot debates, and some failures, of course.

But, for instance, the natural gas deregulation question has been one of the most controversial ever addressed by the Congress. I think the first natural gas deregulation bill was vetoed by Harry Truman, I think, in 1950 or so. For 30, 35 years, this has been a difficult matter to resolve.

I'm not saying flatly that this one will be resolved this year. My anticipation is that it will. But I think that if you look back a year ago on what were the most controversial questions, it was whether or not I would have the authority to reorganize the Government, whether or not we could form an Energy Department, whether or not we could have success in a comprehensive energy policy evolution in our country, or whether or not we could deal with the most crucial issue then, which was unemployment.

Since then, because of the action of the Congress in concert with me and my administration, we've added a net increase of 5.5 million jobs in this country, an unprecedented achievement, and the unemployment rate has dropped 2 percent.

Now the Congress and I, because of changing economic circumstances, because of an unanticipated success in the employment field, are much more deeply concerned now with controlling inflation than we were before. The inflation rate this year has built up more rapidly.

But I have an excellent relationship with the Democratic leadership and the Republican leadership in the House and Senate. We have meetings here over in the White House, every 2 weeks at least, with a complete group of Democratic leaders in the House and Senate. This past Tuesday morning, we had the Republicans and Democrats together. And so, I have been pleasantly surprised at the relationship that I have had with the Congress.

MR. WURFEL. Thank you, sir.

THE PRESIDENT. Thank you all very much. I'll answer one more question, and then I'll go.

SOIL AND WATER CONSERVATION

Q. As I understand it, you proposed to reduce the number of soil conservationists in the Nation and cut funds for certain programs. In my State of Iowa, I understand it could be possibly 50. Are you going ahead with those cuts?

THE PRESIDENT. I don't know. With the Soil Conservation offices, is that what you said?

Q. Conservationists.

THE PRESIDENT. Conservationists, oh. I don't know. We are trying to evolve now, approaching a final decision on basic water policy. And as Governor of

Georgia, I've seen some very serious abuses in the Soil and Water Conservation Service. I understand that in the Midwest and the West, the same conditions don't prevail.

In Georgia, for instance, the abuses that I tried to correct, I think successfully while I was in office, was the unwarranted draining of freshwater wetland areas, which is highly costly, utilizes channelization, destroys the environmental protection for wildlife and game. I won't outline all the advantages there, but primarily the result is to reward financially the landowners who bought the property, knowing that it was a wetland and who want to have it changed into productive farmland at government expense when we have an adequate supply of farmland in Georgia.

Another problem in some of our mountain regions was in the design of dam structures in some of our smaller mountain streams, where the type of discharge raised the temperature of those mountain streams 10 to 15 degrees sometimes and therefore destroyed all the wildlife below the dam which had formerly been indigenous to that area.

So, I think the establishment of a good water policy will help to resolve those questions. But specifics on how many persons would be discharged, I'm not familiar with that at all and don't know of any plans to do that.

Let me say, again, that I appreciate you being here. And I would like, if you don't mind, for you to come by and let me have a photograph made with each one of you. It would be a pleasure for me.

NOTE: The interview began at 1:10 p.m. in the Cabinet Room at the White House. Walter W. Wurfel is Deputy Press Secretary.

The transcript of the interview was released on May 20.

## White House Promenade

*Remarks at the Reception for Members of Congress and Their Families. May 20, 1978*

While you're getting settled, let me say the napkins and tablecloths were designed by Calvin Klein, and they are yours to take with you. We want you to remember this evening, and we'll remember it, too.

First of all, let me say that for Rosalynn and for Amy and for me, this is a wonderful occasion. We have the advantage as a family, along with Chip and Caron and Jeffrey and Annette and James, to live very close to where I work, which is over here in the Oval Office.

Many Members of Congress, however, don't have that easy a time being close to your families. And we thought it would be a very appropriate thing to have a family evening. God gave us beautiful weather and an almost full Moon that's coming up at the right time, and we are very delighted to have you here.

I might say that the evening has already been memorable because of the weather and the companionship. But the most exciting part of it is still to come.

A man who has played more good music for more Americans than anyone who's ever lived is here to conduct the finest music for us tonight. The Marine Band and representatives of the bands of the Army and the Air Force are being conducted by him.

This wonderful maestro came to our country from Russia in 1922. He's fallen in love with the United States and vice versa. He has sold more than 52 million records, which means that everybody in our country only has to share one of his records with three other people. And as you know, most of the time when Andre Kostelanetz starts to play, more than four people gather around to listen to the music.



This is the first time that Maestro Andre Kostelanetz has been to the White House to perform. And I'm especially glad that it's tonight for American families who are the leaders of our Nation and who represent not only the political structure of our Government but also try to exemplify for political and other reasons a fine and a solid and an exemplary family interrelationship.

This is a good time for us. He has shown his leadership already in getting perfect harmony from three different military services, which is something that I have not always been able to achieve myself. [Laughter] And I think that when you hear the last selection, which is the 1812 Overture, it will remind you of the kind of leadership breakfast that I have with the congressional leaders every 2 weeks. [Laughter]

So, welcome to the White House, to our home, and we're glad that you brought your families to hear Maestro Andre Kostelanetz and superb musicians from our military bands.

Maestro Kostelanetz.

NOTE: The President spoke at approximately 8 p.m. on the South Grounds of the White House.

## Plains, Georgia

*Informal Exchange With Reporters on Arrival at Peterson Field. May 21, 1978*

Q. Mr. President, is our assistance to that Zaire operation ended, or is it still in progress?

THE PRESIDENT. It's just about over.

Q. It seemed to be a pretty successful operation?

THE PRESIDENT. I think so. From what we hear, the French and the Belgians and the Zairians have been successful. And we

provided what logistic support they requested. And barring some unforeseen development, I think that my authorization for help is probably over. But we don't ever know what will happen in the future.

NOTE: The exchange began at approximately 10:30 a.m.

## Knoxville, Tennessee

*Remarks to Employees of the Tennessee Valley Authority. May 22, 1978*

*Senator Baker; Senator Sasser; Governor Blanton; Members of Congress who are here—Congressmen Allen and Duncan, Ford, Gore, Jones, Marilyn Lloyd—Secretary James Schlesinger; Director of the General Services Administration and a Tennessean, Jay Solomon; Mayor Tyree; Mayor Bissell of Oak Ridge, where I'll be going later on today; Speaker Ned McWherter, an old friend of mine; former Chairman, a great man, Red Wagner; Chairman Dave Freeman, and my friends from Tennessee:*

I'm glad to be here. It's always a great honor for me to visit your State. I have been taken in by you as a friend. During my early campaign for the nomination as a Democrat to run for President, Georgia gave me more votes than any other State, but Tennessee was right behind with 78 percent. I'll always remember your friendship and your confidence, and I want to come here again today to thank you from the bottom of my heart.

Today I've come also because of a special interest—to visit with literally thousands of distinguished leaders and employees in one of the great institutions of America.

In 1933, after 16 years of debate in the Congress, there was created the Tennessee

Valley Authority. At that time in this region and throughout the South, including where I lived in southern Georgia, there existed a depression in our economy and also of our human spirit. Our income was extremely low. Our soil was eroding rapidly. Our forests were being excessively exploited. Rich mineral resources were lying buried and undeveloped. And our use of energy resources was still in a relatively primitive stage.

TVA began to change all that. Dams were built throughout the Tennessee Valley to control floods and to generate badly needed electricity. Forests were replanted. Conservation was encouraged. Soil erosion was controlled. And good and cheap soil fertilizers were developed and distributed throughout the Southeast.

Farmers, manufacturers were encouraged to use the rich natural resources of the Tennessee Valley and to use them wisely. The TVA program was sound and innovative, and it set a fine pattern for change which has benefited our whole Nation.

I'm very pleased to meet with you today because I have long admired the superlative work of the Tennessee Valley Authority.

TVA has changed the lives of many millions of Southerners. Those of us who grew up on farms in the rural South saw firsthand the dramatic improvements in our lives that came when electricity replaced kerosene lamps and a lot of back-breaking work which bound our lives almost exclusively to duties within a given home or within a small family farm. TVA pioneered in creating rural cooperatives that brought the benefits of electricity to farms all over the Nation and gave us a new freedom, a new interest in a much broader and a much better personal world.

I've come because I want to acknowledge the fine work that TVA has done

and to pledge you my support as President of the United States and to ask for your help in the expanded role that I see for TVA in years ahead.

The TVA has a unique requirement that members of the agency's Board of Directors be people who believe in the basic purposes for which TVA was established. Through the years, TVA has been led by outstanding people who have measured up to that standard well. Chairman Wagner's illustrious 44-year career personifies TVA's success story, and I thank him from the bottom of my heart.

I'm determined to appoint people to the Board who will continue strong leadership in TVA. I know that Dave Freeman, as a veteran of this valley and a native, shares this dedication. He cut his teeth professionally as an engineer in TVA. He came back here again to practice as a lawyer, and his thinking has been in the forefront of raising our national consciousness about how to produce and to use energy wisely and well. He's going to make an outstanding Chairman. And I will soon send the names of the other Board members to the Congress for confirmation.

We've never spent more time and effort in screening out a long list of potential appointees than we have for these two selections now before me. We have devoted the same amount of time and attention to it as in the original selection of my own Cabinet.

TVA has a long history of carrying out difficult assignments. We in this country are now facing problems of energy production and conservation, that we've never faced before, and the proper use of natural resources, which TVA is uniquely suited to help solve. In fact, if the U.S. Government didn't already have a TVA, I would be fighting to create one as part of the energy program.

TVA has that rare combination of

skills needed to protect and to perfect our energy systems. Its power people can work shoulder to shoulder with its experts in biology, community development, pollution control, land use, and other fields necessary to carry out energy demonstrations that will again set standards of excellence for our entire Nation.

You are building nuclear powerplants—six, I believe—as safely and economically as is humanly possible and setting a good example for the Nation by minimizing the adverse impacts from their construction on the communities in which they will be located.

You are demonstrating that a Government agency can operate efficiently and cost-effectively. In almost every phase of electric service, your operating costs for electric power compare favorably with the average costs of private power companies nationwide.

As a result, in spite of rate increases mandated by the increasing costs of oil, coal, and nuclear fuel, Tennessee still has the lowest home electric rates of any State east of the Rocky Mountains.

I know it is frustrating to you to see costs increase in spite of your best efforts. I applaud the hard line that the TVA Board has recently taken to hold down rate increases, when they reduced a recommended rate increase by nearly one-third. But I expect the TVA and all Americans to do even more. Inflation is the Nation's number one economic problem. And while I realize that TVA must pay its increasing bills for fuel and labor and materials, that is all the more reason to redouble your efforts to control inflation.

Twenty years ago, TVA helped to expose a price fixing conspiracy in order to maintain competition in the electrical equipment field. Today, TVA is challenging an international uranium cartel and helping to lead the resistance to expand-

ing oil company domination of all our energy resources.

This administration is with you in encouraging more competition and less concentration of economic power among the producers of petroleum, coal, and uranium. Energy prices must cover all legitimate costs of production, including environmental protection, but not waste and not windfall profits at the consumers' expense.

TVA's main job is to meet the needs of your own region. But in doing so you can help the Nation by demonstrating how a variety of production sources and conservation measures can add to our energy supplies in a socially acceptable manner.

After I took office last year, I suggested that TVA serve as a national proving ground for some of the new approaches, the necessarily new approaches to energy problems being developed in our national energy program. Chairman Wagner accepted that offer enthusiastically and came back and made a list of things, in addition, which TVA can do and will do to help with this great challenge in the future. David Freeman will provide the leadership to continue that effort.

I know, as a businessman myself, as a farmer in the southeast part of our country, how important it is for the TVA programs to have a long-range, sound, predictable, substantive status. There must be a way for business leaders, farmers, and others to make plans based upon a TVA program whose thrust is maintained, not just for months or years, but for decades.

Many of TVA's energy demonstration activities are still in the early stages, but they are an impressive beginning. In home insulation, which is particularly important to the customers you serve because so many homes are heated by electricity; in solar heating, a major responsibility of

yours for the future; in commuter car-pooling, to save energy of all kinds; in pricing, rates to reduce peak load use; in advancing pollution control, which is necessary and has an increasingly complex technology; and in so many other areas, TVA is showing the way for the rest of the Nation.

Every American can take pride in what you have done and what you will do in the future. When the legislation to create TVA was signed by President Roosevelt, he said the new agency should be charged with the broadest duty of planning for the proper use, conservation, and development of the natural resources of the Tennessee Valley region.

I believe that is still the central part of TVA's even broader role today. We still need more effective planning for this country's future course. And I cannot imagine a job better suited to the origins and the traditions of the Tennessee Valley Authority.

TVA has harnessed the Tennessee River for the benefit of its people. And it has built an energy system that is the finest in the Nation. Your people have prospered because of this.

Now as you move past the national average in material wealth and employment for people who live in your region, formerly quite depressed compared to the rest of the country, I want to leave you with an even greater challenge. You can provide an alternative to the congested, polluted, unstabilized super-cities of tomorrow. Your planned industrial growth can help disperse population, creating new opportunities outside the major metropolitan centers in your own rapidly growing, prosperous communities.

The people who fill your new jobs can still have access to open space, to green fields and forests and lakes and streams. And so you have the opportunity to create living and working arrangements that can

be a model for the rest of our Nation.

The people of the Tennessee Valley have a chance to demonstrate that full employment can be achieved without destroying the quality of the land or destroying the Earth.

If the Tennessee Valley can demonstrate a combination of big salaries and prosperity and a clean, friendly atmosphere of southern community living in the years ahead, then you will be an example to all Americans. You're already well on the road to such success. If President Franklin Roosevelt, Senator George Norris, and the other farsighted leaders who worked to establish TVA could be here again to see its current success, they would be as pleased as I am with the new programs TVA is undertaking in the national interest.

As was the case 45 years ago, you face great opportunities for sustained and beneficial growth, designed to conserve and not to waste, destined to lift the economic prosperity and the human spirit of those you serve.

On behalf of the people of the United States of America, I thank you for what you have done.

NOTE: The President spoke at 11:10 a.m. in the auditorium of the Civic Coliseum. In his opening remarks, he referred to Mayors Randell L. Tyree of Knoxville and A. K. Bissell of Oak Ridge, Ned McWherter, speaker of the Tennessee house of representatives, and Aubrey J. Wagner, former Chairman, and S. David Freeman, Chairman of the Board of Directors, Tennessee Valley Authority.

## Oak Ridge, Tennessee

*Remarks at a Roundtable Discussion With  
Oak Ridge National Laboratory Scientists.  
May 22, 1978*

Well, the first thing I want to say is that I'm very proud to be at Oak Ridge with all of you.

When I was in the nuclear program in the early fifties, Oak Ridge was almost like Mecca for us, because this is where the basic work was done that, first of all, contributed to the freedom of the world and ended the war and, secondly, shifted very rapidly to peaceful use of nuclear power.

I have never been here before. Admiral Rickover<sup>1</sup> has told me a lot about this place, and so has my wife, who came here during the campaign. But I know that your major thrust has now shifted away from the production of nuclear power for destructive purposes and toward a broad range of peaceful and constructive uses.

You still contribute to the defense of our country, for which I'm very grateful as Commander in Chief and as President. I think that we've now reached a time in the evolution of our country when your work is going to be of increasing importance. We are now addressing questions that have not been addressed adequately, questions that have not been solved or answered in the past.

The Nation is concerned about those problems that you are trying to solve here. And I think we've just now begun to realize the diversity of them and the interrelationship among them and how important international cooperation has become.

We've got a real need under the National Energy Plan, that we are now having considered by Congress, which we hope will soon be addressed successfully, a challenge for the future which you can help to solve—the accurate inventorying of our limited resources, the proper extraction, modification, distribution, use of those resources, how to eliminate waste and get maximum benefit for our people from what God has given us in minerals

and through the Sun and through our water and land supplies.

We've got, I think, a burgeoning concern about the health or environmental impact of long-term exposure to both very small quantities of radiation and to what was formerly considered to be negligible amounts of pollution in the air, in the water and the land. And your work here is contributing greatly to understanding these complex matters and to deriving answers to those questions as well.

In the future, I think the success that we will strive to achieve in the energy field is heavily on your shoulders. You've been blessed by a concentration here of superb intelligence and experience, a breadth of knowledge and unlimited vision among the scientists and those who support them.

We've got some technologies that are already well underway—the fluidized bed coal combustion—others that are not quite so far along but still have not yet been utilized fully—the gas-cooled reactor, breeder technology in all its forms, how to expedite and make more energy efficient the enrichment of uranium to determine the limits on its proper use, other radioactive materials to be used, like thorium.

Far into the future perhaps—not quite so far if you are successful—is the use of fusion power. I know that you've had great scientific achievements here in reaching perhaps the highest temperatures of anywhere else on Earth. And we still have, as you well know, three limiting factors on having a successful and sustained fusion process here on Earth, and the work here at Oak Ridge can contribute greatly to that.

We've not yet been able to solve the question of proper disposal of nuclear wastes, even though your work at Oak Ridge in the production of fissionable quality nuclear material began many decades ago. And I think the whole world

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<sup>1</sup> Adm. Hyman G. Rickover, Deputy Commander for Nuclear Propulsion, Naval Sea Systems Command, Department of the Navy.

still waits for a clear concept of how used nuclear fuels can be stored and preserved, perhaps for additional use in the future, without danger to our life or the quality of our existence.

We've initiated—Secretary Schlesinger, working closely with me, Secretary of State Vance, and others—an international nuclear fuel cycle study to evaluate the inventory of nuclear fuels throughout the world, how they might be mined, how they might be purified or concentrated in their fissionable qualities, how they might be burned more expeditiously and with higher efficiency, how the power from them might be distributed, how we might prevent their being converted into explosives for the destruction of humankind, and how the waste might be disposed.

These are questions of increasing interest to many nations in the world who have not yet been involved in the nuclear generation, but we and our own allies and friends, even our potential political enemies are trying to work now in harmony to answer many of these questions which address you.

And the last point that I'd like to make that is a major responsibility of yours that I recognize very clearly, is that of public education. I think there are a lot of misapprehensions about energy of all kinds, in particular, nuclear fuels.

We've tried to expedite the licensing process. It takes, quite often, 12 years or so from the time when a decision is made, a firm decision to construct a nuclear powerplant in the United States, to the time it actually begins to produce usable quantities of electricity or other power. This is excessive time required.

And the proper balancing of environmental constraints with the expeditious supply of nuclear power for our people is one that is a responsibility of yours and also of mine.

So, I recognize that you have great work ongoing here, some much too advanced for me to comprehend or to understand. But you've got my appreciation and my support.

And I hope that this visit here will not only be instructive for me but it will help to clarify some of the interrelationships that exist between you and me, and will let me, Frank Press, my Science Adviser, Dr. Schlesinger, who's head of the new Department of Energy, and you work with a greater sense of partnership, mutual commitment, and the assurance of success that we have experienced even in the past.

So, on behalf of the people of our country, I want to thank you and express my admiration for what you've already achieved and let you know that I am sure, because of the quality of your work, that your achievements will be much greater and much more beneficial in the future.

Thank you very much.

**NOTE:** The President spoke at 1 p.m. in the Central Auditorium at the Oak Ridge National Laboratory Headquarters. Following his remarks, the President, Secretary of Energy James R. Schlesinger, John M. Deutch, Director of the Office of Energy Research, Department of Energy, and Frank Press, Director of the Office of Science and Technology Policy, participated in the discussion with Oak Ridge scientists.

During his visit to the Oak Ridge facilities, the President viewed several displays in connection with the Laboratory's research and toured the Gaseous Diffusion Facility.

## Presidential Management Improvement Awards

*Remarks on Presenting the Awards for 1977.  
May 23, 1978*

**THE PRESIDENT.** We seem to have the Rose Garden full of proud people this

afternoon, and I share that pride.

One of the consistent efforts of my own administration since I've been in office has been to improve the quality of service that our Federal Government provides to the American people. Every one of us here and every one of our associates and fellow workers throughout the Government has the job we have because the American people want and expect us to serve their needs and to serve them well. We are here for that purpose and for that purpose only, from the President of the United States on down.

The American people are not happy about the level of service that they have been receiving from their Government. I find that dissatisfaction every time I travel around the country. And it comes as no surprise to me. I know that there are many dedicated people in this Government who share my belief that Government performance can and should be improved.

The most effective and fundamental improvement that we can make is to reform the civil service system, to make it truly a merit system that rewards achievement and responds to human needs. I took the first and major step toward that in March when I sent to the Congress the first part of the civil service reform proposals. I'm very pleased at the prompt attention that Congress has given to this legislation. Committees in both the House and Senate have held extensive hearings already. The Senate began its markup this week, and we expect the House to begin quite soon.

Today I'm sending to the Congress the second and the final part of the civil service reform proposals, the reorganization plan itself. It creates an Office of Personnel Management to replace our antiquated and unfair hiring practices with the same kind of modern personnel management that is routine in any effi-

cient, private, industrial organization.

It creates an independent Merit Systems Protection Board to safeguard the legitimate rights of Federal employees and to give active assistance and support to those employees who "blow the whistle" on illegal or improper activities.

It also creates a Federal Labor Relations Authority to provide a fairer and a more efficient way of handling labor and management disputes within the Government.

Congress has 60 days now to consider this reorganization plan before it takes effect. We've worked very closely with the Congress, and I'm confident that it deserves congressional support. And I think we will look back on this afternoon as the beginning of a very significant chapter in the improvement of our Government.

We have some people here today, some very distinguished guests whose personal accomplishments serve as a reminder of how much difference one person's efforts can make, even in a system such as we have now that is sometimes not conducive to excellence.

Each of these 11 guests is a Federal employee who has made exceptional contributions toward improving governmental economy and effectiveness. I've been told that if you add up the savings to the taxpayers brought about by just these 11 people, it comes to more than \$13,500,000. And I have signed congratulatory letters to more than 550 other Federal employees for outstanding contributions of a like manner.

They did it through personal imagination, through personal diligence, through personal initiative. We have some awards to present them which they truly deserve.

Let me say that the point I want to make this afternoon—and I think all of them here with me would agree—that instead of giving awards once a year on

special occasions to a few of the most outstanding employees, what we need most is a civil service system that rewards good performance every day, day in and day out.

Today I want to congratulate these people who personify the spirit of quality performance that I and they are all determined to extend throughout our Government. Congratulations to all of you. You've made us very proud. You've served our Government well, and these awards are certainly deserved because of your outstanding contributions.

ALAN K. CAMPBELL. The President will make the awards individually.

First, from the Department of Interior, Dr. Joseph M. Botbol and Roger W. Bowen for development of a computer-based system that facilitates handling and analysis of mineral and energy research information and has saved the Government an estimated \$1.5 million.

From the Department of the Treasury, Yolanda H. Carrillo, for suggesting a change in procedures for preparing corrections to data in the Internal Revenue Service ADP system that has resulted in an estimated \$184,000 savings during its first year.

From the Department of Agriculture, Dr. Ernest L. Corley, for outstanding leadership in the reorganization within the Agricultural Research Service and in the design of an effective management planning system.

From the National Aeronautics and Space Administration, Mr. Curtis R. Helms and Mr. Thomas W. Winstead, for exceptional engineering achievement in redesigning the space shuttle external fuel tank, resulting in less cost per flight, creating payload capability and total program savings of \$5.8 million.

From the Veterans Administration, Mr. Jack B. Johnson, for suggesting a

change in the method of installing cash registers supplied to the hospital canteen service, which has saved the Government \$100,000.

From the Department of the Navy, Mr. Thomas H. Mills, Mr. Milford Rhodes, and Mr. Winfred Hodges for suggesting a method for reclaiming fuel oil which otherwise would have been unusable that saved the Government approximately \$180,000.

And finally, from the Department of Health, Education, and Welfare, Mr. L. David Taylor, for outstanding management and administrative initiatives which significantly improved the Department's services to the public and saved an estimated \$6 million.

THE PRESIDENT. Well, I think you can all see what the reasons are for the broad smiles that have been up here this afternoon and for the sense of partnership that we feel in striving on a daily basis to make our Government more effective and more efficient and to provide those services which the American people deserve and which they expect of us.

I want to say that these are not persons who are exceptional in that they share high achievement and deep dedication with many hundreds of thousands of fellow governmental workers, and this inspiration to them in being honored, I'm sure, will encourage others to achieve just as high a service to the American people.

I think that one of the most impressive thoughts that have come to me since I've been in the White House is how deeply dedicated civil servants are, how they want to do an even better job, and how sometimes the bureaucratic obstacles make it very difficult for them to do so. But these 11 men and women have surmounted those obstacles and have proven themselves to be outstanding in every respect.



Thank you again very much, and congratulations from all of us.

NOTE: The President spoke at 2 p.m. in the Rose Garden at the White House. Alan K. Campbell is Chairman of the U.S. Civil Service Commission.

## Federal Civil Service Reorganization

***Message to the Congress Transmitting  
Reorganization Plan No. 2 of 1978.  
May 23, 1978***

*To the Congress of the United States:*

On March 2nd I sent to Congress a Civil Service Reform proposal to enable the Federal government to improve its service to the American people.

Today I am submitting another part of my comprehensive proposal to reform the Federal personnel management system through Reorganization Plan No. 2 of 1978. The plan will reorganize the Civil Service Commission and thereby create new institutions to increase the effectiveness of management and strengthen the protection of employee rights.

The Civil Service Commission has acquired inherently conflicting responsibilities: to help manage the Federal Government and to protect the rights of Federal employees. It has done neither job well. The Plan would separate the two functions.

### OFFICE OF PERSONNEL MANAGEMENT

The positive personnel management tasks of the government—such as training, productivity programs, examinations, and pay and benefits administration—would be the responsibility of an Office of Personnel Management. Its Director, appointed by the President and confirmed by the Senate, would be responsible for ad-

ministering Federal personnel matters except for Presidential appointments. The Director would be the government's principal representative in Federal labor relations matters.

### MERIT SYSTEMS PROTECTION BOARD

The adjudication and prosecution responsibilities of the Civil Service Commission will be performed by the Merit Systems Protection Board. The Board will be headed by a bipartisan panel of three members appointed to six-year, staggered terms. This Board would be the first independent and institutionally impartial Federal agency solely for the protection of Federal employees.

The Plan will create, within the Board, a Special Counsel to investigate and prosecute political abuses and merit system violations. Under the civil service reform legislation now being considered by the Congress, the Counsel would have power to investigate and prevent reprisals against employees who report illegal acts—the so-called “whistleblowers.” The Counsel would be appointed by the President and confirmed by the Senate.

### FEDERAL LABOR RELATIONS AUTHORITY

An Executive Order now vests existing labor-management relations in a part-time Federal Labor-Relations Council, comprised of three top government managers; other important functions are assigned to the Assistant Secretary of Labor for Labor-Management Relations. This arrangement is defective because the Council members are part-time, they come exclusively from the ranks of management and their jurisdiction is fragmented.

The Plan I submit today would consolidate the central policy-making functions in labor-management relations now divided between the Council and the Assistant Secretary into one Federal Labor

Relations Authority. The Authority would be composed of three full-time members appointed by the President with the advice and consent of the Senate. Its General Counsel, also appointed by the President and confirmed by the Senate, would present unfair labor practice complaints. The Plan also provides for the continuance of the Federal Service Impasses Panel within the Authority to resolve negotiating impasses between Federal employee unions and agencies.

The cost of replacing the Civil Service Commission can be paid by our present resources. The reorganization itself would neither increase nor decrease the costs of personnel management throughout the government. But taken together with the substantive reforms I have proposed, this Plan will greatly improve the government's ability to manage programs, speed the delivery of Federal services to the public, and aid in executing other reorganizations I will propose to the Congress, by improving Federal personnel management.

Each of the provisions of this proposed reorganization would accomplish one or more of the purposes set forth in 5 U.S.C. 901(a). No functions are abolished by the Plan, but the offices referred to in 5 U.S.C. 5109(b) and 5 U.S.C. 1103(d) are abolished. The portions of the Plan providing for the appointment and pay for the head and one or more officers of the Office of Personnel Management, the Merit Systems Protection Board, the Federal Labor Relations Authority and the Federal Service Impasses Panel, are necessary to carry out the reorganization. The rates of compensation are comparable to those for similar positions within the Executive Branch.

I am confident that this Plan and the companion civil service reform legislation will both lead to more effective protection of Federal employees' legitimate

rights and a more rewarding workplace. At the same time the American people will benefit from a better managed, more productive and more efficient Federal Government.

JIMMY CARTER

The White House,  
May 23, 1978.

#### REORGANIZATION PLAN NO. 2 OF 1978

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, May 23, 1978, pursuant to the provisions of Chapter 9 of Title 5 of the United States Code.

#### PART I. OFFICE OF PERSONNEL MANAGEMENT

SECTION 101. *Establishment of the Office of Personnel Management and its Director and Other Matters.* There is hereby established as an independent establishment in the Executive Branch, the Office of Personnel Management (the "Office"). The head of the Office shall be the Director of the Office of Personnel Management (the "Director"), who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for level II of the Executive Schedule. The position referred to in 5 U.S.C. 5109(b) is hereby abolished.

SECTION 102. *Transfer of Functions.* Except as otherwise specified in this Plan, all functions vested by statute in the United States Civil Service Commission, or the Chairman of said Commission, or the Boards of Examiners established by 5 U.S.C. 1105 are hereby transferred to the Director of the Office of Personnel Management.

SECTION 103. *Deputy Director and Associate Directors.*

(a) There shall be within the Office a Deputy Director who shall be appointed

by the President by and with the advice and consent of the Senate and who shall be compensated at the rate now or hereafter provided for level III of the Executive Schedule. The Deputy Director shall perform such functions as the Director may from time to time prescribe and shall act as Director during the absence or disability of the Director or in the event of a vacancy in the Office of the Director.

(b) There shall be within the Office not more than five Associate Directors, who shall be appointed by the Director in the excepted service, shall have such titles as the Director shall from time to time determine, and shall receive compensation at the rate now or hereafter provided for level IV of the Executive Schedule.

SECTION 104. *Functions of the Director.* The functions of the Director shall include, but not be limited to, the following:

(a) Aiding the President, as the President may request, in preparing such rules as the President prescribes, for the administration of civilian employment now within the jurisdiction of the United States Civil Service Commission;

(b) Advising the President, as the President may request, on any matters pertaining to civilian employment now within the jurisdiction of the United States Civil Service Commission;

(c) Executing, administering and enforcing the Civil Service rules and regulations of the President and the Office and the statutes governing the same, and other activities of the Office including retirement and classification activities except to the extent such functions remain vested in the Merit Systems Protection Board pursuant to Section 202 of this Plan, or are transferred to the Special Counsel pursuant to Section 204 of this Plan;

(d) Conducting or otherwise providing for studies and research for the purpose of assuring improvements in personnel man-

agement, and recommending to the President actions to promote an efficient Civil Service and a systematic application of the merit system principles, including measures relating to the selection, promotion, transfer, performance, pay, conditions of service, tenure, and separations of employees; and

(e) Performing the training responsibilities now performed by the United States Civil Service Commission as set forth in 5 U.S.C. Chapter 41.

SECTION 105. *Authority to Delegate Functions.* The Director may delegate, from time to time, to the head of any agency employing persons in the competitive service, the performance of all or any part of those functions transferred under this Plan to the Director which relate to employees, or applicants for employment, of such agency.

## PART II. MERIT SYSTEMS PROTECTION BOARD

SECTION 201. *Merit Systems Protection Board.*

(a) The United States Civil Service Commission is hereby redesignated the Merit Systems Protection Board. The Commissioners of the United States Civil Service Commission are hereby redesignated as members of the Merit Systems Protection Board (the "Board").

(b) The Chairman of the Board shall be its chief executive and administrative officer. The position of Executive Director, established by 5 U.S.C. 1103(d), is hereby abolished.

SECTION 202. *Functions of the Merit Systems Protection Board and Related Matters.*

(a) There shall remain with the Board the hearing, adjudication, and appeals functions of the United States Civil Service Commission specified in 5 U.S.C. 1104 (b) (4) (except hearings, adjudications and appeals with respect to examination

ratings), and also found in the following statutes:

(i) 5 U.S.C. 1504-1507, 7325, 5335, 7521, 7701 and 8347(d);

(ii) 38 U.S.C. 2023

(b) There shall remain with the Board the functions vested in the United States Civil Service Commission, or its Chairman, pursuant to 5 U.S.C. 1104(a)(5) and (b)(4) to enforce decisions rendered pursuant to the authorities described in Subsection (a) of this Section.

(c) Any member of the Board may request from the Director, in connection with a matter then pending before the Board for adjudication, an advisory opinion concerning interpretation of rules, regulations, or other policy directives promulgated by the Office of Personnel Management.

(d) Whenever the interpretation or application of a rule, regulation, or policy directive of the Office of Personnel Management is at issue in any hearing, adjudication, or appeal before the Board, the Board shall promptly notify the Director, and the Director shall have the right to intervene in such proceedings.

(e) The Board shall designate individuals to chair performance rating boards established pursuant to 5 U.S.C. 4305.

(f) The Chairman of the Board shall designate representatives to chair boards of review established pursuant to 5 U.S.C. 3383(b).

(g) The Board may from time to time conduct special studies relating to the Civil Service, and to other merit systems in the Executive Branch and report to the President and the Congress whether the public interest in a work force free of personnel practices prohibited by law or regulations is being adequately protected. In carrying out this function the Board shall make such inquiries as may be necessary, and, to the extent permitted by law, shall have access to personnel records or infor-

mation collected by the Office of Personnel Management and may require additional reports from other agencies as needed. The Board shall make such recommendations to the President and the Congress as it deems appropriate.

(h) The Board may delegate the performance of any of its administrative functions to any officer or employee of the Board.

(i) The Board shall have the authority to prescribe such regulations as may be necessary for the performance of its functions. The Board shall not issue advisory opinions. The Board may issue rules and regulations, consistent with statutory requirements, defining its review procedures, including the time limits within which an appeal must be filed and the rights and responsibilities of the parties to an appeal. All regulations of the Board shall be published in the *FEDERAL REGISTER*.

SECTION 203. *Savings Provision.* The Board shall accept appeals from agency actions effected prior to the effective date of this Plan. On the effective date of Part II of this Plan, proceedings then before the Federal Employee Appeals Authority shall continue before the Board; proceedings then before the Appeals Review Board and proceedings then before the United States Civil Service Commission on appeal from decisions of the Appeals Review Board shall continue before the Board; other employee appeals before boards or other bodies pursuant to law or regulation shall continue to be processed pursuant to those laws or regulations. Nothing in this section shall affect the right of a Federal employee to judicial review under applicable law.

SECTION 204. *The Special Counsel.*

(a) There shall be a Special Counsel to the Board appointed for a term of four years by the President by and with the

advice and consent of the Senate, who shall be compensated as now or hereafter provided for level IV of the Executive Schedule.

(b) There are hereby transferred to the Special Counsel all functions with respect to investigations relating to violations of 5 U.S.C. Chapter 15; 5 U.S.C. Subchapter III of Chapter 73 (Political Activities); and 5 U.S.C. 552(a)(4)(F) (public information).

(c) The Special Counsel may investigate, pursuant to 5 U.S.C. 1303, allegations of personnel practices which are prohibited by law or regulation.

(d) When in the judgment of the Special Counsel, such personnel practices exist, he shall report his findings and recommendations to the Chairman of the Merit Systems Protection Board, the agency affected, and to the Office of Personnel Management, and may report such findings to the President.

(e) When in the judgment of the Special Counsel, the results of an investigation would warrant the taking of disciplinary action against an employee who is within the jurisdiction of the Board, the Special Counsel shall prepare charges against such employee and present them with supporting documentation to the Board. Evidence supporting the need for disciplinary action against a Presidential appointee shall be submitted by the Special Counsel to the President.

(f) The Special Counsel may appoint personnel necessary to assist in the performance of his functions.

(g) The Special Counsel shall have the authority to prescribe rules and regulations relating to the receipt and investigation of matters under his jurisdiction. Such regulations shall be published in the *FEDERAL REGISTER*.

(h) The Special Counsel shall not issue advisory opinions.

### PART III. FEDERAL LABOR RELATIONS AUTHORITY

#### SECTION 301. *Establishment of the Federal Labor Relations Authority.*

(a) There is hereby established, as an independent establishment in the Executive Branch, the Federal Labor Relations Authority (the "Authority"). The Authority shall be composed of three members, one of whom shall be Chairman, not more than two of whom may be adherents of the same political party, and none of whom may hold another office or position in the Government of the United States except where provided by law or by the President.

(b) Members of the Authority shall be appointed by the President, by and with the advice and consent of the Senate. The President shall designate one member to serve as Chairman of the Authority, who shall be compensated at the rate now or hereafter provided for level III of the Executive Schedule. The other members shall be compensated at the rate now or hereafter provided for level IV of the Executive Schedule.

(c) The initial members of the Authority shall be appointed as follows: one member for a term of two years; one member for a term of three years; and the Chairman for a term of four years. Thereafter, each member shall be appointed for a term of four years. An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

(d) The Authority shall make an annual report on its activities to the President for transmittal to Congress.

SECTION 302. *Establishment of the General Counsel of the Authority.* There shall be a General Counsel of the Authority, who shall be appointed by the President, by and with the advice and consent of the Senate for a term of four years, and who

shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule. The General Counsel shall perform such duties as the Authority shall from time to time prescribe, including but not limited to the duty of determining and presenting facts required by the Authority in order to decide unfair labor practice complaints.

SECTION 303. *The Federal Service Impasses Panel.* The Federal Service Impasses Panel, established under Executive Order 11491, as amended, (the "Panel") shall continue, and shall be a distinct organizational entity within the Authority.

SECTION 304. *Functions.* Subject to the provisions of Section 306, the following functions are hereby transferred:

(a) To the Authority—

(1) The functions of the Federal Labor Relations Council pursuant to Executive Order 11491, as amended;

(2) The functions of the Civil Service Commission under Sections 4(a) and 6 (e) of Executive Order 11491, as amended;

(3) The functions of the Assistant Secretary of Labor for Labor-Management Relations, under Executive Order 11491, as amended, except for those functions related to alleged violations of the standards of conduct for labor organizations pursuant to Section 6(a) (4) of said Executive Order; and,

(b) to the Panel—the functions and authorities of the Federal Service Impasses Panel, pursuant to Executive Order 11491, as amended.

SECTION 305. *Authority Decisions.* The decisions of the Authority on any matter within its jurisdiction shall be final and not subject to judicial review.

SECTION 306. *Other Provisions.* Unless and until modified, revised, or revoked, all policies, regulations, and procedures established, and decisions issued, under

Executive Order 11491, as amended, shall remain in full force and effect. There is hereby expressly reserved to the President the power to modify the functions transferred to the Federal Labor Relations Authority and the Federal Service Impasses Panel pursuant to Section 304 of this Plan.

SECTION 307. *Savings Provision.* All matters which relate to the functions transferred by Section 304 of this Plan, and which are pending on the effective date of the establishment of the Authority before the Federal Labor Relations Council, the Vice Chairman of the Civil Service Commission, or the Assistant Secretary of Labor for Labor-Management Relations shall continue before the Authority under such rules and procedures as the Authority shall prescribe. All such matters pending on the effective date of the establishment of the Authority before the Panel, shall continue before the Panel under such rules and procedures as the Panel shall prescribe.

#### PART IV. GENERAL PROVISIONS

SECTION 401. *Incidental Transfer.* So much of the personnel, property, records, and unexpended balances of appropriations, allocations and other funds employed, used, held, available, or to be made available in connection with the functions transferred under this Plan, as the Director of the Office of Management and Budget shall determine, shall be transferred to the appropriate agency, or component at such time or times as the Director of the Office of Management and Budget shall provide, except that no such unexpended balances transferred shall be used for purposes other than those for which the appropriation was originally made. The Director of the Office of Management and Budget shall provide for terminating the affairs of any agencies abolished herein and for such further

measures and dispositions as such Director deems necessary to effectuate the purposes of this Reorganization Plan.

**SECTION 402. *Interim Officers.***

(a) The President may authorize any persons who, immediately prior to the effective date of this Plan, held positions in the Executive Branch of the Government, to act as Director of the Office of Personnel Management, the Deputy Director of the Office of Personnel Management, the Special Counsel, the Chairman and other members of the Federal Labor Relations Authority, the Chairman and other members of the Federal Service Impasses Panel, or the General Counsel of the Authority, until those offices are for the first time filled pursuant to the provisions of this Reorganization Plan or by recess appointment, as the case may be.

(b) The President may authorize any such person to receive the compensation attached to the Office in respect of which that person so serves, in lieu of other compensation from the United States.

**SECTION 403. *Effective Date.*** The provisions of this Reorganization Plan shall become effective at such time or times, on or before January 1, 1979, as the President shall specify, but not sooner than the earliest time allowable under Section 906 of Title 5, United States Code.

## Assistance for Refugees in Somalia and Djibouti

***Memorandum From the President.***  
***May 23, 1978***

Presidential Determination No. 78-12

***Memorandum for the Secretary of State***

***Subject:*** Determination pursuant to Section 2(c)(1) of the Migration and Refugee Assistance Act of 1962, as amended, (The "Act") authorizing the obligation

of \$750,000 of funds made available under the United States Emergency Refugee and Migration Assistance Fund

In order to meet emergent needs of refugees who are in Somalia and Djibouti as a result of hostilities in the Horn of Africa, I hereby determine, pursuant to Section 2(c)(1) of the Act, that it is important to the national interest that up to \$750,000 in funds appropriated under the United States Emergency Refugee and Migration Assistance Fund be made available for assistance to such refugees. This assistance will be furnished through contributions to the United Nations High Commissioner for Refugees, international organizations and voluntary agencies helping these refugees.

The Secretary of State is requested to inform the appropriate committees of Congress of the Determination and the obligation of funds made under their authority.

This determination shall be published in the **FEDERAL REGISTER**.

[Filed with the Office of the Federal Register,  
3:55 p.m., June 9, 1978]

## Private Sector Initiative Program

***Remarks at a White House Meeting on the Employment Program. May 23, 1978***

I'll just be with you here for a few minutes, and then I'll be back with you again for supper.

This afternoon I've been having budget hearings for fiscal year 1980, and I've also been getting good news from some of the business leaders about their commitment to our effort to hold down the inflation rate.

We've had remarkable success in the last 16 months in dealing with the very severe problem that we faced at the beginning of last year on massive unemployment.

ment in our country. It was sapping away the economic strength of our Nation and, I think, was a very depressing thing for all the American people. The unemployment rate was almost 8 percent. And with the help of the private sector of our country in particular, business and labor, with the cooperation between the White House and the Congress, we initiated joint programs which have had remarkably successful achievements.

In the last 16 months we've seen a net increase of 5½ million jobs, an almost unprecedented achievement. And I think it's kind of revitalized the country's attitude toward the future.

Of course, we still have economic problems, as you well know. One is the unanticipated increase in the inflation this year, which we are trying to address as enthusiastically as we can and with the same kind of partnership that we established and which was so successful in dealing with unemployment.

And the other thing that we are working on today and tonight with you is to deal with those who have not benefited from the reduction in the unemployment rate. We still have 6 percent of the American people who don't know that we've made progress with unemployment, because they still are unemployed. And quite often they are the ones that are the most difficult to employ and to keep on a job permanently.

Part of the problem is, I would say, inadvertent discrimination. We hire young people, women, minority groups last. And when economic necessities fall on us, or when we make a routine change, they are the first ones that are discharged from their jobs.

Quite often they are the ones who need a job most because they don't have mobility and they are often illiterate and

they are not part of the social structure where they can be adequately supported from their neighbors. And they don't know the opportunities that do exist just in a different part of town or over the hill in a different community where a much more qualified person could go and find a job.

We are here tonight to begin a new partnership between government and the private sector, to ease this particular difficult problem that's known as structural employment. We urgently need training and job opportunities for the large number of unskilled men and women who have been left jobless in these times of relatively high employment in our country. And where we have the greatest need for jobs is in the private sector, jobs that can lead to useful careers for people that sometimes don't even know the meaning of the word "career." And I'm asking, with every anticipation of success, that business and labor join me in this effort. This will involve unprecedented cooperation at all levels of government—the local, State, and the Federal levels of government—private business, labor, as we establish Private Industry Councils to develop local programs.

I'm happy to note that this request to establish these councils has already been approved by the full committees in the House and Senate as part of the CETA reauthorization bill.

We've also asked Congress for \$400 million for fiscal year 1979, beginning October 1 of this year, to fund training programs in the private sector. As the councils, that will be established with your help, and the local CETA officials work together, along with the targeted tax credit that we've sent to Congress, the Private Industry Councils will be the tools that we need for a strong and effective attack on this persistent problem.



Within the executive branch of Government, I have asked the Vice President to chair a high-level task force to provide continuing focus and coordination for a national effort to reduce youth unemployment. This is one of the rare times that I've asked the Vice President to take a specific assignment of this kind. Ordinarily he helps me with more general subjects and is kind of an assistant President. But in this particular case, I believe that the problems of youth unemployment are bad enough to ask him to take on this special assignment.

This task force which he heads will include the Secretaries of each of the major Federal agencies with direct program responsibilities: Ray Marshall, Secretary of Labor; Joe Califano, Secretary of HEW; Juanita Kreps, who is the Secretary of Commerce; Mike Blumenthal, Secretary of the Treasury; and of course, Pat Harris, who is Secretary of HUD. Four of those Cabinet Secretaries are behind me now on the stage, and they will be working very closely with you. Joe Califano and Mike Blumenthal couldn't be here yet. They may be here later this afternoon.

And in the private sector, I've asked the National Alliance of Businessmen to provide leadership within the business community and technical assistance at the local level.

This new partnership in employment policy exemplifies our entire urban program, government and the private sector working together for the common good. But the progress will only be as successful as efforts at the local level make it. We can't manage this program effectively from Washington.

I pledge the wholehearted support of my entire administration in reaching the continuing and often moving goal of putting America back to work. And it's with a great deal of assurance that I as Presi-

dent put my confidence in you and understand that a major portion of the success of this effort will depend on the degree of enthusiasm that you show for this program.

Nothing that you could do could be more contributive to a better America and, at the same time, your own profits. And the people who look to you for leadership will be gratified. So it's a good partnership. I think we'll all enjoy the challenge, and I have no doubt that we'll meet that challenge successfully.

Thank you very much. I'll leave now and let you to go to work, and I will join you tonight for the celebration. Thank you very much.

NOTE: The President spoke at 5:05 p.m. in the East Room at the White House to a group of business, labor, community, and government executives assembled to discuss the program.

Following the meeting, the President hosted a dinner for the participants in the State Dining Room at the White House.

## Hospital Cost Containment Legislation

*Letter to Members of the House Interstate and Foreign Commerce Committee.  
May 23, 1978*

The most pressing problem facing this Nation is inflation. And one of its most important causes is the precipitous rise in health care costs. Over the last three years, inflation in the health care industry has been 1½ times greater than the rate of increase for all consumer prices.

The most important immediate step this Nation can take to hold down the intolerable rise in health costs is to pass legislation containing hospital costs—which constitute 40% of health costs and which have been rising about 2½ times faster than the national rate of inflation.

Last year I sent the Congress legislation that would put the brakes on out-of-control hospital costs without affecting the quality of care. That legislation is one of my top priorities today.

I urge you, as a member of the Commerce Committee of the House, to help bring spiralling health care costs back in line with the rest of the economy by passing that legislation at your forthcoming markup.

Sincerely,

JIMMY CARTER

NOTE: This is the text of identical letters addressed to each member of the committee. The text was released on May 24.

## Treaty for the Prohibition of Nuclear Weapons in Latin America

*Message to the Senate Transmitting Additional Protocol I. May 24, 1978*

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith Additional Protocol I to the Treaty for the Prohibition of Nuclear Weapons in Latin America. The Protocol was signed by me on behalf of the United States on May 26, 1977.

For the information of the Senate, I transmit also the report of the Department of State on the Protocol and a copy of the Treaty to which it pertains.

The Treaty for the Prohibition of Nuclear Weapons in Latin America, done at Mexico City, February 14, 1967, constitutes the first successful attempt to establish a nuclear weapon-free zone in any populated area of the world. The Treaty itself is open only to States located in the zone and has been signed by all of them, with the exception of Cuba

and Guyana. It has been ratified by all signatories, except Argentina, which announced in November 1977 its intention to ratify the Treaty. It is not yet in force for Brazil and Chile. At present, it is in force for twenty-two States.

The Treaty is accompanied by two Protocols. Protocol II to the Treaty, intended for signature by nuclear weapon States, was ratified by the United States on May 12, 1971. It calls on the nuclear weapon States to respect the Latin American Nuclear Free Zone, not to contribute to any violation of the Treaty, and not to use or threaten to use nuclear weapons against the Parties to the Treaty. Other nuclear weapon States that have ratified Protocol II are France, the People's Republic of China and the United Kingdom.

Protocol I, transmitted today for your advice and consent to ratification, is open to all States having international responsibility, *de jure* or *de facto*, for territories lying within the zone of application defined in the Treaty. It has been ratified by the Netherlands and the United Kingdom and obligates States adhering to it to apply pertinent provisions of the Treaty to such territories lying within the zone. The territories affected by United States adherence include Puerto Rico, the Virgin Islands, the Canal Zone (until entry into force of the Panama Canal Treaties), and our military base at Guantanamo.

I am convinced that it is in the best interest of the United States to ratify Protocol I. Such a step will strengthen our relations with our Latin American neighbors, further our global non-proliferation and arms control objectives and contribute to the full realization of the Latin American Nuclear Free Zone. It is my sincere hope that adherence by the United States to Protocol I will induce other countries, eligible to become Parties

to the Treaty or its Protocols, to take the necessary steps so that the Treaty may enter into full force and effect for the entire zone of application.

I recommend that the Senate give early and favorable consideration to Additional Protocol I and give its advice and consent to ratification, with the same understandings and declarations attached to United States ratification of Protocol II, and with the additional understandings and declarations concerning transit and transport privileges, exercise of the freedoms of the seas and passage through territorial waters, which accompany the report of the Department of State.

JIMMY CARTER

The White House,  
May 24, 1978.

## National Commission on the International Year of the Child, 1979

*Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation. May 24, 1978*

*Dear Mr. Speaker: (Dear Mr. President:)*

I am transmitting today a bill to provide for a National Commission on the International Year of the Child, 1979.

Enactment of this legislation will enable the United States to participate fully in celebrating 1979 as the International Year of the Child, which was designated by the United Nations General Assembly by approval of a resolution of its thirty-first session.

This National Commission will create within the United States a better understanding of the needs of children, both here and abroad, and will prepare a report and recommendations on national

policies to meet these needs.

The powers granted to the National Commission under this Act will be in addition to those provided in Executive Order 12053.

I urge its early passage.

Sincerely,

JIMMY CARTER

NOTE: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Walter F. Mondale, President of the Senate.

## Ford Portraits Unveiling Ceremony

*Remarks on the Presentation to the White House of the Portraits of the Former President and First Lady. May 24, 1978*

PRESIDENT CARTER. It's with a great deal of pride that I come this afternoon to welcome back to the White House one of my good friends, advisers, counselors, and helpers in the difficult decisions that I as President have to make, and which he made so well when he occupied this home and served in the Oval Office.

He's a man who came to lead our Nation in a time of crisis and strain, and he brought the capability and the attitude and knowledge and experience to heal our wounds. And the entire Nation is indebted to him. He's a man who is beloved and appreciated, and no one appreciates him more than I do.

And it's also a pleasure for me and Rosalynn to welcome his wife, Betty, who I think is perhaps the most popular person in our country, including Jerry Ford, and certainly including myself, who has earned the admiration of our Nation with her courage and complete candor. And we care for her, and I know that the people of our country will be deeply moved and appreciative to have these two portraits hanging in the President's house.

President Ford's portrait will be on this floor, and the former First Lady's portrait will be on the ground floor of the White House, where it will be viewed by thousands of people every day who will be reminded, as they look at these two beautiful portraits, of the wonderful service performed by President Jerry Ford and his wife, Betty.

You're welcome back to the White House, Jerry and Betty, and as personal friends of yours and also as the President of our country now, I want to express my friendship towards you and my deep appreciation for what you have meant to our country and what you still mean to the people of the United States.

NASH CASTRO. *Mr. President, Mrs. Carter, President Ford, Mrs. Ford, distinguished guests, all:*

History is a succession of random events, and 17 years is a short time as history goes. But its passing is a proper and convenient point at which to recall a noteworthy event in the history of this great house.

The White House Historical Association is now in its 17th year. It is unique in being the first nonprofit organization devoted exclusively to White House purposes. The association was founded out of a need to give impetus to the then new and exciting White House restoration program. Every First Lady since its founding has supported it enthusiastically. This, above everything, explains why it has thrived through the years and thrives today.

President Kennedy, who lived here when the association first formed, was told that such an organization could have legal standing only if the White House were declared a national monument. It came as a little surprise to us who knew that President to learn that he absolutely refused to live in a monument. *[Laughter]*

The wise and scholarly Clark Clifford,

who has probably unscrambled more problems for more Chief Executives than any man alive, tactfully suggested legislation that satisfied both the law and the sitting President. Our association could thus be incorporated.

One of our aims is to enhance understanding, appreciation, and enjoyment of the White House. Another is to assist the White House in its continuing quest to acquire objects with a linkage to its glorious past. This the association does in concert with the White House staff, the White House family, and the Committee for the Preservation of the White House.

The source of the association's income is its four books, of which more than 5 million copies have been sold since the inception of sales on July 4, 1962.

The portraits of President Ford and Mrs. Ford, which we are presenting today for addition to the permanent White House collection, were commissioned out of grants made by the association. They join the portraits of Franklin Delano Roosevelt, Mrs. Roosevelt, Mrs. Truman, President and Mrs. Kennedy, and President and Mrs. Johnson, which have also been provided by the association.

Portraits of Presidents and First Ladies are important parts of White House continuity. They are tangible treasures of time and art describing our ongoing course of history. And so, Mr. President and Mrs. Carter, the White House Historical Association feels very privileged indeed to serve this historic house.

On behalf of our board of directors, I am enormously pleased to present to you and the Nation the official portraits of our 38th President and his lovely First Lady, President Ford and Mrs. Ford.

Thank you very much.

PRESIDENT CARTER. Mr. Castro, and to members of the White House Historical Association, let me express my appreciation to you for these beautiful gifts and my appreciation for your willingness to

carry on this very fine tradition. It's always a matter of great trepidation when portraits are unveiled. Most of the publicity recently about portraits has not been nearly so favorable as we are experiencing today, with Mrs. Churchill burning the portrait of her former husband, with President Johnson having had quite a flap when his first portrait was unveiled, and lately when the distinguished Secretary of State Henry Kissinger did not either like the work of the artist who tried to portray him for his posterity.

But I think today we've got a wonderful example of superb artistry, talent, and sensitivity about the character and demeanor of the subjects chosen. And I would like to ask Everett Raymond Kinstler, who did the portrait of President Ford, who sat for this portrait out in Vail, and also for Mr. Felix de Cossio, who is a native of Cuba, originally, and who did the beautiful portrait of Mrs. Ford, to come on the stage. And then while you are here on the stage, joining us as part of the audience, President Ford will make his remarks.

**PRESIDENT FORD.** *Mr. President and Mrs. Carter, Mr. Castro, my former friends and colleagues in the House and Senate, and other guests:*

It's a great privilege for Betty and myself to be here on this occasion. May I express my deep gratitude on behalf of both of us to the President and to Mrs. Carter for their friendship, their many kindnesses, and I can say that the relationship has been one we've enjoyed and that we're most grateful to have. And I thank you very, very much, Mr. President, Mrs. Carter.

I had not seen the actual portraits until just a few minutes ago. I've seen them in the process of being painted. I've seen several photographs. I would say that in my case, considering what Ray Kinstler had to work with, he did very well.

[*Laughter*] I would say that Mr. de Cossio did a beautiful job, and I'm very proud of not only the portrait but what it portrays.

We are enthusiastic about both, in all honesty, and we are naturally very, very proud that our portraits will be here in the President's house and will reflect our great love and affection for this place and all that it means to the American people.

I can't thank Ray Kinstler and Mr. de Cossio sufficiently for their tolerance and understanding as they worked with us last summer and for the fine job that they did. There was never a moment in our period that we would ever not accept the fine work that has been done by both. And we thank you, Ray, and Mr. de Cossio, for the fine work that is in evidence here on this occasion.

Again, thank you, Mr. Castro, and to the White House Historical Association. And we again express our deep gratitude and appreciation to President Carter and Mrs. Carter for their friendship and many, many kindnesses. It's a pleasure to be here.

Thank you.

**NOTE:** The President spoke at 2:38 p.m. at the ceremony in the East Room at the White House. Nash Castro is vice chairman of the board of directors of the White House Historical Association.

Prior to the ceremony, President Carter and former President Ford met privately in the Oval Office.

## United Service Organizations

**Remarks at a White House Reception.  
May 24, 1978**

**THE PRESIDENT.** First of all, I want to welcome all of you to the White House, and I want to congratulate Bob Hope. He's getting ready to start on a second career, as you know. He'll be making commercials full-time—[*laughter*—]advertis-

ing yogurt. *[Laughter]*

Since Mr. Hope has now been proven to be 75 years old, at least we know that his claim is false that he sold Pepsodent to George Washington the first time he came to the White House. *[Laughter]* We all know he had wooden teeth, and he was a Lemon Pledge man. *[Laughter]* I'm talking about George Washington. *[Laughter]*

Although this is the first time that Bob Hope has been to the White House since I've been here, I figured up today that I've been in office now for 489 days. And when I spend 3 more weeks, I will have stayed as many nights in the White House as Bob Hope has. *[Laughter]*

I'll never forget when we first moved in. We went by the Lincoln Bedroom, and Rosalynn was really excited. We came in here to the East Room and saw the portraits of George Washington and his First Lady; I was very excited. And Amy was excited in all the other rooms, because they had signs above the doors, "Bob Hope Slept Here." *[Laughter]*

Amy is here; she's already invited Bob Hope to spend the night with her tonight. He'll have to climb the tree to get to his bedroom, but I'm sure he can make it. *[Laughter]*

I met Bob Hope when I was Governor. He came down to Atlanta for a big celebration. I was very disappointed; I think I was the only person in the Armed Forces who'd never met him while I was overseas. Every Christmas Eve we would put some cookies and a bottle of scotch under our periscope in the submarine, but he never showed up. *[Laughter]*

But I think it's accurate to say that the USO is as much a part of our Government, our Armed Forces, the basis for strength in our Nation, the good spirit, and a commitment to service of our country among those who have been overseas

during times of war and peace, that Bob Hope is just as much a part of that as any President who's ever served, and I thank him from the bottom of my heart for that tremendous contribution.

There is no way for me to add additional plaques nor certificates nor medals to what Bob Hope has already received from my predecessors and other leaders. But as President of the United States of America, as the Commander in Chief of all our Armed Forces, and as the Chairman, the Honorary Chairman, of the USO, I want to express my thanks and the thanks of a grateful nation to a man who in war and peace, through his own brilliance, his sense of humor, his patriotism, his love and concern for men and women in the Armed Forces who were not fortunate enough to be home to be with their own loved ones, and for selfless and unselfish devotion over many years above and beyond the call of duty, and on behalf of our country, our Armed Forces, and the USO, I want to say thank you to my friend, Bob Hope.

MR. HOPE. Thank you, Mr. President, Mrs. Carter. I know we all feel the same way—there are so many in here on a pass tonight. *[Laughter]*

I have never seen so many people—freeloaders, in my life. *[Laughter]* But what a kick it is to come in here and just shake hands with the President and the First Lady. That's something, isn't it?

I appreciate all those words, and I did a congressional wives' luncheon today in honor of Mrs. Carter, and I enjoyed doing that and seeing the congressional wives. And I told them that I visited Washington every once in a while, not so much lately, but I used to come here quite often—*[laughter]*—not for political favors, I just wanted to try to get into Wilbur Mills' carpool. *[Laughter]* And I did other things.

But I want to say I appreciate this very

much. You know, you realize, you think this is a soft job. When you stand in line like that and greet this many people and shake hands with these alleged friends—[laughter]—some of them squeeze a little hard, I want to tell you. I mean, you've got to appreciate the fact that the President and Mrs. Carter take time to do this. This is not an election year, you know. [Laughter]

It's wonderful, and we appreciate it very much. And I want to apologize for some of the things I've said on television—right now, let me see—[laughter]—no, when I said that Mr. Carter was a very religious man, because every time I ate a peanut, I feel immortal—[laughter]—I'm sorry about that.

I just want to thank all of you for coming. I want to thank the President and Mrs. Carter for loaning us our house. [Laughter] God knows we paid for it. [Laughter] I would have mailed this speech in, but I couldn't afford it. [Laughter] The price went up to 15 cents. It was supposed to go up in '63, but the Postmaster General just got the letter. [Laughter]

Thank you very much.

THE PRESIDENT. Bob was embarrassed to say this, but he wanted me to point out again to you how deeply honored he is to have you here. And he says that you're the best friends he has in the world. He doesn't get a chance to see you very often, and he would like for all of you to wait in the room until he's outside. He'd like to shake hands with you again as you leave. [Laughter]

NOTE: The President spoke at 5:58 p.m. in the East Room at the White House. Entertainer Bob Hope, who has traditionally led Christmas programs for U.S. servicemen overseas under USO sponsorship, was guest of honor at the event.

## Natural Gas Legislation

*Statement on the Agreement of the Congressional Conferees. May 24, 1978*

I am pleased and gratified that the congressional energy conferees, after 6 months of arduous work, have reached final agreement on natural gas legislation.

A solution to the natural gas issue has eluded Presidents and Congresses for more than a quarter of a century. I congratulate the conferees for their fine work.

This historic agreement represents a long-overdue step toward the creation of a truly national market for natural gas, as well as a crucial breakthrough toward enactment of the long-delayed national energy legislation.

Our objective, when we sent the national energy act to Congress on April 20, 1977, was to protect the Nation's consumers and the economy from the sudden imposition of the substantially higher natural gas prices that would result from immediate deregulation. We also sought to provide producers with higher incentives to stimulate natural gas production. Those objectives have been met by the legislation the conferees have agreed upon today.

The compromise, according to best available estimates, will cost American consumers no more than they would pay if today's inadequate regulatory system were to be maintained. Moreover, if the compromise is accepted by the full Congress, new supplies of natural gas, formerly available only in the intrastate market, will flow to gas-starved interstate systems at reasonable prices. These new supplies will replace billions of dollars worth of more expensive fuels, including imported oil.

This agreement represents a major step forward toward finalization of the national energy legislation. I urge the Con-

gress to start moving toward final passage of the first four bills and once again to begin in earnest on the crude oil equalization tax and the remaining provisions of the tax bill. I am encouraged over the prospects for the COET, because I think there is a growing realization of the need for us to stop subsidizing oil imports and of the fact that COET is the best option for achieving that goal.

## President's Commission on Personnel Interchange

*Appointment of Seven Members.  
May 25, 1978*

The President today announced the appointment of seven persons as members of the President's Commission on Personnel Interchange for 2-year terms. They are:

- NEIL L. CUNNINGHAM, vice president, marketing and public affairs, of the First American National Bank in Nashville, Tenn.;
- THOMAS W. DEWAELE, of Kailua, Oahu, Hawaii, president of small retail and wholesale luggage and sporting goods businesses;
- PATRICIA J. KNOX, director of the Department of Public Information for the city of Detroit;
- RICHARD E. PESQUEIRA, president of the University of Southern Colorado in Pueblo, Colo.;
- J. J. SIMMONS III, of Muskogee, Okla., vice president and assistant to the chairman of the board of Amerada Hess Corp. in New York;
- JULE M. SUGARMAN, Vice Chairman of the Civil Service Commission;
- PHILIP F. ZEIDMAN, a Washington attorney and former General Counsel of the Small Business Administration.

The President's Commission on Personnel Interchange was established in 1967 to develop an executive interchange program between the Federal Government and private industry. Each year, a small number of Federal employees take positions in the private sector, and a small

number of industry executives are placed in Government positions. The Commission directs and monitors each year's exchange program.

## Presidential Scholars

*Remarks at the Presentation Ceremony of the 1978 Presidential Scholars Medallions.  
May 25, 1978*

WILLIAM L. PRESSLY. I welcome you to this lovely occasion here in the Rose Garden of the White House. It is the President's own program for the recognition of excellence. It was created by an Executive order by President Lyndon B. Johnson in 1964. It honors a group of the Nation's most intellectually distinguished and accomplished high school seniors. The purpose that President Johnson stated is still valid, to recognize the most precious resource of the United States, the brainpower of our youth.

To encourage the pursuit of intellectual attainment among all of our youth, we select 121 scholars each year: two from each of the States, a boy and a girl, two from the District of Columbia, Puerto Rico, and two from parents who are American citizens living abroad, and then we have 15 at large. So, we have a total of 121.

Today it is 15 years old, and we are honoring President Johnson for having established the program and are delighted to have members of his family here today. You need to know that there are now nearly 1,700 Presidential Scholars, and we have invited many of them back. A study is being made today of the accomplishments of those who were the first Presidential Scholars, the first 5 years, and this soon will be in book form.

President Carter and I were both born in small towns in Georgia. Obviously, I



arrived a generation ahead of him. But during those years in a small town in Georgia, there wasn't much change. I think the similarity in our backgrounds has given me an insight into the real Jimmy Carter.

I see him first as a man of conviction. He has clearly stated the framework of his faith within which he constructs his life. Knowing his conviction, we can be sure he is a man of integrity and tremendous strength of character.

He is the kind of man who is going to do what he conceives to be right, no matter what the personal sacrifice. I've seen in the press, references to his stubbornness, but I call it determination stemming from conviction.

Out of his framework of conviction comes a warm compassion. He has an unshakable belief in the worth of the individual man. This is not an objective concept with him; it originates in a deep and sincere love for his fellow man.

You have heard him defend human rights, human rights in every nation. You will hear him do so again. The idea is a part of his innermost being.

It is his love for people that has made it possible for him to keep the common touch, though he holds the Nation's highest office. His conviction and his compassion lead to commitment. All his life he has been committed to excellence. We see it in the brilliance of his intellectual achievement. We see it in his enthusiasm for his Presidential Scholars program. We see it in his true devotion to great music and art. We see it in the prodigious effort and inspiration he has given and is giving to improve education and government on the State level, and now on the national level. He is a man committed to the enhancement of the quality of every human being.

Young women and young men, ladies and gentlemen, the President of the

United States.

THE PRESIDENT. I think I'll hire Dr. Pressly full-time to introduce me to different groups. You can see the advantage in having a fellow Georgian precede you on the program.

This is a delightful occasion for me, as President, and a very great gratifying one. I've looked over the list of those who have achieved awards as Presidential Scholars from all 50 States, the Trust Territories, chosen on the basis of competitive merit and nothing else. This 117-person group has been chosen, in effect, in competition with 2 million other young American students. And you've been honored because of your own achievements academically and your own capabilities. For the first time this year, we've recognized excellence in music and the arts in addition to academic excellence itself, which I think is good.

I've noticed that you don't come from families with any particular economic status. Many of you, more than half, come from working families where your parents, one or both, work in an employee status. You've overcome, sometimes, handicaps because of the status of your family, socially and otherwise. And on many occasions, it's been a matter of great courage on your part. One of your group, I notice, has parents who are missionaries in Zambia. One of you, I noticed, 5 years ago was living in Korea and couldn't speak any English at all.

I think there's one unique characteristic of this group that's interesting, and that is that 90 percent of you live in stable homes, where your mother and father have stayed together and have strengthened the ties of the marriage vows, and your homes are not divided.

I just feel very deeply that you've honored me by coming, and you've honored our Nation by showing your superb achievements already at the young

and early stage of your life. But you're also lucky, and you shouldn't take this recognition of achievement as an end in itself. You're fortunate because you had an access to books and to a good education program. You're fortunate that you had a President 15 years ago who believed very deeply in education himself. He didn't go naturally from high school directly into college. He had to work. He got his education, to a major degree, because of his own ability to earn an academic scholarship. He came to the White House by a torturous and difficult route. But when he got here as a former teacher himself, he knew the advantage of a good educational system.

I came to Washington for the first time as an official in 1965. I was in the State senate. And the Elementary and Secondary Education Act of 1965 was being considered. John Gardner was the Secretary of HEW. President Johnson was the leader of our Nation. And he established this program as an additional executive decision to honor young people who had achieved a notable degree of merit in academic work.

It's a great pleasure for me to welcome you here to the White House, the center of our Government, and to let you know that I not only congratulate you on your achievement so far, but I expect great things from you in the future. You've been blessed with superior intelligence and opportunity not only because the Nation in which you happen to live provides freedom to express yourselves as individuals, but you've also been honored by your fellow Americans. And I hope you will accept this honor today as an additional instigation to achieve even more in the future and to recognize those who are not so fortunate as you, who haven't been blessed with a good educational opportunity or a sound, stable family life or

a freedom to explore new dimensions of one's mind and one's heart.

Today I would like to make a special award to the family of the President who's responsible for this occasion, President Lyndon Johnson. He was a man with extreme patriotism to our country. He was a man who recognized with an open heart the defects that existed in it. He believed in equality of opportunity, in human rights in its finest form, and in the fact that our future rests on the shoulders of young people like you.

We invited Lady Bird Johnson to be here with us today. She couldn't come. My wife will be with her tomorrow in Texas. But we have been honored by having Lieutenant Governor Chuck Robb [of Virginia] and his wife, Lynda, who will come forward now and receive a plaque in recognition of the tremendous contribution in this program and in many other hundreds of ways that President Lyndon Johnson made to our country as a public servant in many ways. And I thank them for being here. I think you notice that they are providing an opportunity for a future Presidential honors award, and I'm thankful for it.

This is a plaque which you can see, I think, clearly, a picture of the White House where President Johnson lived. "Presented by President Jimmy Carter in honor of the contributions to education by President Lyndon Baines Johnson on the 15th anniversary of the Presidential Scholars Program. The White House, May 25, 1978."

LYNDA JOHNSON ROBB. I know my father would be very proud of all of you. The thing he was the most proud of was the young people of this country and the education, the opportunities that they had and what he expected from all of us. I know he'd be very happy to be honored today in the ceremony such as

this. I don't expect to come back here 15 years later, again, 15 years from now as a parent of one of these Presidential Scholars, but I feel like a child of the program in many other ways, having been here when it was born 15 years ago.

Thank you so much.

NOTE: The ceremony began at 11:05 a.m. in the Rose Garden at the White House. Mr. Pressly is Chairman of the Commission on Presidential Scholars.

Following the President's remarks, Joseph A. Califano, Secretary, and Mary Berry, Assistant Secretary for Education, Department of Health, Education, and Welfare, presented the medallions to the high school students selected as Presidential Scholars for 1978. For a list of the students, see page 764 of this volume.

## Federal Trade Commission

***Nomination of Robert Pitofsky To Be a Member. May 25, 1978***

The President today announced that he will nominate Robert Pitofsky, of Chevy Chase, Md., to be a member of the Federal Trade Commission. He would replace Calvin J. Collier, resigned.

Pitofsky was born December 27, 1929, in Paterson, N.J. He received a B.A. from New York University in 1951 and an LL.B. from Columbia Law School in 1954.

In 1956 and 1957, Pitofsky was an attorney with the Justice Department, and from 1957 to 1963, he practiced law in New York City. From 1963 to 1970, he was a professor of law at New York University School of Law.

From 1970 to 1973, Pitofsky was Director of the Bureau of Consumer Protection of the Federal Trade Commission. Since 1973 he has been a professor of law at Georgetown University Law Center, and a counsel to the Washington firm of

Arnold & Porter.

Pitofsky is chairman of the board of directors of Georgetown University Law Center's Institute for Public Interest Representation. He served as commission counsel to the American Bar Association Commission to Study the FTC. He is the author of numerous articles on consumer protection and trade regulation law.

## Federal Mine Safety and Health Review Commission

***Nomination of Three Members. May 25, 1978***

The President today announced the nomination of three persons to be members of the Federal Mine Safety and Health Review Commission. They are:

Frank F. Jestrab, of Williston, N. Dak., for a 6-year term. Jestrab, 64, is an attorney in Williston. He serves on the National Conference of Commissioners on Uniform State Laws, and represents the Governor of North Dakota on the Interstate Oil Compact Commission.

A. E. Lawson, of Pittsburgh, Pa., for a 6-year term. Lawson, 48, is assistant general counsel of the United Steelworkers of America. He has handled a broad range of litigation before trial and appellate courts as well as administrative tribunals such as the Occupational Safety and Health Review Commission.

Marian P. Nease, of Sumner, Md., for a 4-year term. Nease, 38, is special counsel to the United Mine Workers Health and Retirement Funds.

The Commission was created by the Federal Mine Enforcement Safety and Health Amendments Act of 1977 to serve as an independent agency to adjudicate disputes under the act.

## THE PRESIDENT'S NEWS CONFERENCE OF MAY 25, 1978

*Held in Chicago, Illinois*

THE PRESIDENT. It's always good for me to visit Chicago, one of our most beautiful cities and, perhaps, the best managed large city in our country or perhaps the world. This afternoon I have a brief statement to make, and then I'll be glad to answer any questions that you might have.

### U.S. FOREIGN ASSISTANCE PROGRAMS

Our action to help rescue those who have been threatened in Zaire has virtually come to an end. Our transport aircraft, having completed their mission, will be returning to their bases within the next few days. I know that I speak for all Americans in expressing my abhorrence and distress over the violence and the killing that resulted from the Katangan invasion from Angola into Zaire. As great as the human tragedy was, it could have been much worse for the European nationals and for the Zairians, and the consequences much more severe for that country, if we had not joined in with our allies in a common effort.

Our action in Zaire was an appropriate and measured response to the situation. In this endeavor, we demonstrated both our ability to cooperate with our allies and our willingness to consult fully with the Congress before taking any actions. I imposed strict limits on the scope of our involvement, and they were rigorously observed. I'm gratified that we had the full support of congressional leaders before and during the rescue efforts in Zaire.

The Government of Angola must bear a heavy responsibility for the deadly attack which was launched from its territory, and it's a burden and a responsibility shared by Cuba. We believe that Cuba

had known of the Katangan plans to invade and obviously did nothing to restrain them from crossing the border. We also know that the Cubans have played a key role in training and equipping the Katangans who attacked.

Our action to support the rescue efforts in Zaire was taken pursuant to present law and under my constitutional powers and duties as Commander in Chief. However, the tragedy in Zaire as well as other recent developments has caused me to reflect on the ability of our Government, without becoming involved in combat, to act promptly and decisively to help countries whose security is threatened by external forces.

Our military and economic assistance programs are one of the most important means of assisting our friends. Some of the legislation governing these foreign aid programs has the effect of placing very narrow limits on where and when they can be used. Some of these limitations, though they were enacted many years ago and under special circumstances, continue to be entirely appropriate and advisable today. Others may be outmoded. For that reason, I have concluded that we should review the full range of legislation which now governs the operation of these programs. I've asked the Secretary of State to conduct this review and to consult with Congress constantly in preparing the study for me. We want to take a careful look at whether our legislation and procedures are fully responsive to the challenges that we face today.

I will meet with the congressional leadership myself in the near future, so that we can reach a joint decision on the appropriate steps to be taken.

As for the Clark amendment, which prohibits action in regard to Angola, I have no present intention of seeking its modification, nor that of any other special piece of legislation. Any proposal for modifications will await our review of all

restrictions and consultations with the appropriate committees of the Congress.

In the meantime, the existing provisions of law will, of course, be faithfully observed by me. But also in the meantime, we must resist further restrictions being attached to legislation now before the Congress.

As we consider new legislation, it is vital that we recognize our need to be able to adapt to rapidly changing circumstances. The foreign assistance legislation now pending in Congress contains several proposed restrictions on Presidential authority in economic and military aid programs. While I am prepared to report to Congress and to remain fully accountable to the American people, I will oppose further restrictions. I do so not necessarily because I intend to exercise my authority in the areas in question, but to preserve Presidential capacity to act in the national interests at a time of rapidly changing circumstances.

I believe that the congressional leadership and the American people will support this position.

Thank you very much.

I'd like to now call on Melody McDowell for the first question.

### QUESTIONS

#### HUMPHREY-HAWKINS BILL

Q. Melody McDowell, Chicago Defender. Critics of the Humphrey-Hawkins bill maintain that those who would stand to benefit would largely be going from one form of welfare to another, because the jobs that are being sold out are not those that would allow for marketable skills. Along those lines, what kinds of programs have you or do you plan to institute which would allow those who are impoverished to receive not only a job but also to gain marketable, career-oriented skills, particularly among black youth where the unemployment rate is disproportionately

higher than any other group?

THE PRESIDENT. The Humphrey-Hawkins bill does not include specific programs designed to reduce unemployment. The Humphrey-Hawkins bill devises a system by which the President, the Congress, State and local governments, the private sector, can work together with a common goal of reduced unemployment over a period of years.

This legislation puts a constraint on me, as President, when I put forward a proposal to Congress, when I put forward a budget, for instance, to explain to the Congress how it will be impacted by and how it will help the unemployment rate in the country.

In the last 16 months, since I've been in office, we've seen a dramatic reduction in the unemployment rate. We've added a net increase of 5½ million jobs; the unemployment rate has dropped from about 8 percent down to 6 percent on a nationwide basis. We still have a very high unemployment rate, however, as Melody pointed out, among young people, minority groups, and, in some areas, women. We have sharply focused Federal programs to put people back to work. And the National Alliance of Businessmen, the labor organizations, and others are also helping us, for instance, with veterans, with minority groups, and with young people.

Sixteen months ago, one of the highest unemployed groups in the country were Vietnam veterans. They now have a lower unemployment rate, because of these specially focused programs, than the average American who are in their age group.

And as we've put the general populace back to work, we can focus much more narrowly now on those who are the so-called hardcore unemployed, that is, the last ones hired and the first ones to be fired.

So, the Humphrey-Hawkins bill has nothing in it that would put excessive

constraints on the American public or government. It gives us a framework by which we can plan together to continue to bring down an unemployment rate that has been improved but which is still too high.

#### SOVIET POLICIES AND SALT

Q. Mr. President, Frank Cormier, Associated Press. Former President Ford suggested today there should be an interrelationship between progress on the SALT and Soviet willingness to show restraint in Africa. Do you agree with this position?

THE PRESIDENT. Well, I read President Ford's statement that he made today, and I think that his analysis is that we ought not necessarily to let Soviet action in other areas interfere with the progress of SALT. But he pointed out, and I agree, that unless the Soviets do honor the constraints on basic human rights, unless they also honor constraints on their involvement in places like Africa, that it will have a strong adverse effect on our country and make it much more difficult to sell to the American people and to have ratification in Congress of a SALT agreement if it should be negotiated between me and Brezhnev and those who work under us.

So, I never have favored the establishment by me or Brezhnev of a linkage between the two, saying that if the Soviets and the Cubans stay in Ethiopia, for instance, we would cancel the SALT talks. I think that the SALT agreement is so important for our country, for the safety of the entire world, that we ought not to let any impediment come between us and the reaching of a successful agreement. But there is no doubt that if the Soviets continue to abuse human rights, to punish people who are monitoring the Soviets' compliance with the Helsinki agreement, which they signed on their own free will, and unless they show some constraints on their own involvement in Africa and on their sending Cuban troops to be involved

in Africa, it will make it much more difficult to conclude a SALT agreement and to have it ratified once it is written.

Q. Mr. President, Wes Pippert, UPI.

THE PRESIDENT. I'll get you next, Wes. Let me get—

#### ILLINOIS MILITARY INSTALLATIONS

Q. Mr. President, Dick Kay, WMAQ-TV. One of the Democratic candidates you are here in Chicago to campaign for, Alex Seith, says Illinois will be crucial to you for reelection in 1980, that your popularity is on the wane here, and that one thing hurting it is the possibility of closing at least three bases in Illinois—Fort Sheridan, Great Lakes Naval Station, and Chanute Air Force Base. I wonder, sir, if you are going to have any private conversations with local Democratic officials to heat up the relationship, so to speak, and if you have any comment on the possibility of those bases staying open?

THE PRESIDENT. Well, I have to say that I flew from Washington to Chicago on Air Force One with several members of the Illinois delegation, I think almost all the Democrats. They very quickly brought up this subject and discussed it thoroughly with me. And I have already had a chance to discuss this with Mayor Bilandic on the way in from the airport and with Adlai Stevenson, the Senator, who was with us also.

There's no doubt that if, say, these three major bases were closed under my administration, it would be a severe political blow to me. I think it's accurate to point out, though, that we'll make the decision in the final analysis not on the basis of political considerations, but on the basis of what's best for the national defense of our country now and, prospectively, in the future. The fact that these bases are on a potential list to be assessed has no significance at all.

For instance, if we have three major Marine recruit training facilities in our

Nation and the Defense Department decides that we only need two of them and will close one, they put all three on the list to be assessed, so that after their assessment is complete, they will present to me and to the Congress proposals for the closing down of a base or changing its character. But before that is done, there will be 9 or 10 months of very careful analysis, plus a very careful study being done, which will continue for a long period of time, about the economic consequences to that area and to the country if it is closed down.

So, you've got the military assessment of need, a very long list—very few of the bases will actually be closed in the final analysis, not more than a third or so—and the economic consequences if a base is closed. So, I recognize the political consequences. But even then, I'll have to make a final judgment, and so will the Congress, on the basis of what's best for our country, not how much a local community might react adversely if a decision is made against them.

PRESIDENT'S RELATIONSHIP WITH  
ILLINOIS DEMOCRATS

Q. Sir, will you have any private discussions to warm up the political relationship with the Cook County organization?

THE PRESIDENT. Well, I've already begun those discussions. I was met by many of the candidates for office at the airport. All the Members of the House of Representatives are running for reelection, as you know. I met with them today. I've already met and ridden in and been up in my hotel room with Mayor Bilandic, who also happens to be here. Obviously, one of the reasons that I came here to Chicago is not only to meet and address the legislature tomorrow morning, which will be a bipartisan effort, but to help the Cook County Democrats and the Illinois Democrats win in the fall.

And my heart's in it. There is no difference of opinion between me and the Democratic candidates or leaders here about what should be done by the Illinois people in the elections this fall.

U.S. FOREIGN ASSISTANCE PROGRAMS

Q. Mr. President, a question about Africa again. Can you be more specific in the kinds of changes you would seek in this review? For instance, how do you feel that your hands are tied in extending aid to these nations in Africa? And further, under what conditions would you want to be able to extend aid, lethal or nonlethal, to such groups as the opposition forces in Angola?

THE PRESIDENT. Well, I have no intention of getting involved in the conflict in Angola. This is not my intention at all. But the Congress has had an increasing inclination recently, beginning long before I came in office, to impose one-House vetoes and to put very tight constraints on what countries we could give any aid to and prohibit even World Bank loans for countries, say, that produced competitive crops in the United States. For instance, last year the Congress attempted to impose a prohibition against any loans by the World Bank against a country that produced sugar products because it competed with sugar produced in our own country, or to prevent any aid being given to a country that produced tung (palm)<sup>1</sup> oil because it competed with soybean oil grown in our own country.

That means that we are prohibited from giving much needed friendship, mutual support, building up a trade relationship, giving aid when it's necessary to countries that might desperately desire our help, but be forced, because of an absence of it, to turn to the Soviet Union or to turn to Eastern bloc countries to help them sustain themselves.

<sup>1</sup> Printed in the transcript.

There's a borderline region where I think the President ought to exert leadership and authority, keeping the Congress and the American people informed about countries that are not democracies, that might be socialistic in nature, but who don't want to be dominated by the Soviet Union or the Eastern bloc countries.

Some of them are already very good friends of ours. For instance, we are prohibited, except in the special circumstances, from giving any aid to Zambia. President Kaunda was here this past week. He's a very fine African leader whose friendship we want. Tanzania is another one. President Nyerere is one of our good friends now. He wasn't 3 or 4 years ago. Another one that would be an even more borderline case would be Mozambique, with Machel being the President.

I think that many of these African leaders are very strongly nationalistic in their attitude. They don't want to be dominated by us or anyone else. But if we are prevented from giving them any aid of a peaceful nature, even food, then they've got to turn somewhere else. And it ties my hands too much. It might be that when the Congress passes an amendment like this on a foreign aid bill that the reasons are sound, but then times change. Maybe after a year or 2 years, when that provision is still on the law books, there might be different leaders or different political circumstances there. I can't act to deal with the changing circumstance.

I might say that this problem was raised not by me with the Congress but by congressional leaders with me. And I'm not going to advocate any changes in present law until we have thoroughly discussed it with the congressional leaders in both Houses, both Democrats and Republicans. But I am opposing any tightly restraining amendments that are now being proposed by the Congress on the

foreign aid legislation that we are considering this year.

#### BARGE CANAL FEES

Q. Mr. President, if Congress sends you a public works bill with fees on waterway users at the level set by the Senate recently, will you veto that bill, as Secretary Adams said you would? And if so, sir, what alternative solutions would you propose for problems of Alton Lock and Dam 26?

THE PRESIDENT. I would veto the Senate-passed bill, yes. We asked the Congress to impose water user fees so that we might get back a part of the cost of operating locks, dams, other very expensive waterway facilities, and, also, to get back part of the cost of the original capital investment.

In my opinion, at the present time, the barge traffic has a major advantage over other forms of transportation. Also, these facilities, when they are modified or built anew, cost very great sums of money. And I believe that it's proper for the Congress to pass a law that would let very modest user fees be imposed so that those who do use those facilities that are built by the taxpayers all over the country at least partially share in the cost of them. This is the case with other forms of transportation. I think it ought to be the case with water user fees as well.

#### U.S. FOREIGN ASSISTANCE PROGRAMS

Q. Mr. President, I suppose most of these restrictions that were written into the law were written with the idea of keeping the United States from becoming bogged down in another Vietnam. And I wonder, sir, do you see a comparison in the choices you now face and the choices that were faced by President Kennedy and President Johnson back in those early days when we began to get in just a little ways and then more and more came on?



What differences are there in this situation than what they faced?

THE PRESIDENT. No, I don't think there's any comparison at all. In my opinion, if President Johnson, President Nixon, President Eisenhower, Kennedy were in office now, having experienced the Vietnam war, they would be very cautious and very careful not to become involved again militarily, and I have that deep feeling myself. We are talking here about the kinds of amendments that I described to Wes Pippert a few minutes ago, an amendment that says we cannot either give any aid or even vote in the World Bank Board of Directors for a loan to a foreign country, just because their form of government might be different from ours or because they've had some past or even present human rights violations or even because they produce competitive crops that might be competing with crops grown in the United States.

And there's a trend in Congress that is building up that puts too much constraint on a President to deal with rapidly changing circumstances. We do not want to send military forces into Africa to meet the challenge of Soviet and Cuban intrusion. The Soviets and Cubans are eager to give either military aid, and even the Soviets send Cuban troops into a country to fight.

We don't want to do that at all, but if we can't even give a shipment of wheat or give a sound commercial loan or vote for a loan by the World Bank to that same people or that same country, it means that I can't compete at all, even peacefully, with the Soviet or Cuban military action in those countries. That's what concerns me very deeply.

I might say that it's not just my concern. I had a long conversation yesterday with President Ford. He, I think, perhaps is at least as deeply concerned as I am, and the congressional leaders share this same concern.

#### INFLATION

Q. Mr. President, when you were in Illinois campaigning, you said in Springfield and other places that if you were elected, we could depend on your doing something about inflation. And now we hear we're going to get a 9.3 for April and maybe the same for May. I wonder, sir, if you cannot control it, what political consequences will be to you and, secondly, would you consider taking a \$20,000-a-year pay cut as suggested as a symbol for the Nation by Arthur Burns?<sup>2</sup>

THE PRESIDENT. I don't remember Mr. Burns volunteering to take a pay cut when I was in Government. [*Laughter*] We have imposed zero increase on all executive pay in the Federal Government in the executive branch. The Congress is now considering imposing the same zero increase in high-level pay for Members of Congress and members of the judiciary as well. I think that's well-advised.

It's obvious to me, looking back historically, that a year ago or 16 months ago, the primary concern in our country was unemployment. But my goal has been, as President, to bring down both unemployment and inflation. Last year we experienced about a 6-percent inflation rate—6, 6½ percent. Now our projections for this year are that it might be 6½ or 7 percent. I think the 9 percent that you referred to is a temporary aberration brought about primarily by high food costs because of bad weather.

We are doing everything we can now to cut down the rate of inflation, short of wage and price controls, which I do not ever intend to impose, barring a national calamity. And we've gotten good support so far from some of the major business leaders and the labor leaders, as well. General Motors, for instance, A.T. & T. have already publicly announced that they

<sup>2</sup> Former Chairman of the Board of Directors, Federal Reserve System.

are going to hold down the price of their products and also put tight constraints on executive salaries and other salaries over which they have control.

The worst economic problem, the worst domestic problem that we have now is inflation. And I had a meeting this morning with my Cabinet officers to tell them that the 1980 fiscal year budget, which I'm now considering in its early state, will be very tight, with severe cutbacks than what we had anticipated recommending to the Congress next January.

I'm perfectly willing to meet any special interest group, no matter how benevolent, and hold my own in spite of the political consequences. And that includes business, it includes labor, it includes education, it includes transportation, it includes farmers, it includes all those groups who are very sincere and very good Americans, but who have to recognize that this year, at least, and perhaps next year as well, we have got to constrain inflation.

And I'm willing to take the political heat to do it, because it's very difficult for any one of those groups to agree to join in a common effort. But I think if we can get a spirit of deep concern, which I feel, and a common willingness to sacrifice, then I can meet my commitments to the American people and hold down inflation.

As you know, the Government does play a major role. It sets a tone and it controls the depth of the deficit, and it orients where spending programs are implemented and how much taxes are collected. We've already cut back our tax proposal, which will result in a decrease in the deficit for next year of about \$10 billion below what we proposed in January.

So, I'm determined to fight inflation. I can't do it by myself. It's going to take all Americans to help, but I recognize that I have the leadership role.

#### COMMUNISM AND AFRICA

Q. Mr. President, Walt Rodgers, with AP. It was just about a year ago at Notre Dame University you told Americans it was time to end their inordinate concern and alarm with communism. You seem to have fallen into that same preoccupation in Africa. My question is, what is America's vested interest in Africa, and why is it so important that we oppose the Soviets and Cubans on that continent?

THE PRESIDENT. Well, I have no fear of communism and no inordinate concern about communism. I'm not preoccupied with the Soviet Union. I don't fear them. I see the inherent strength of the United States economically and politically and militarily, and I'm determined, as President, to maintain that strength, which is, in almost every respect, superior to that of the Soviet Union.

We are concerned that the Soviets don't impose upon themselves the same constraints that we do. They have no reticence about becoming involved militarily in internal affairs in Africa.

I think the Organization of African Unity, the United Nations, the OAS in this hemisphere, and other similar regional and worldwide organizations can handle those disputes either within a country or across international boundaries without military forces being sent there. And that's the subject of my concern. And I feel that one of my responsibilities and one of the authorities that I have is to raise public awareness of it.

I think that Cuba, for instance, claiming to be a nonaligned country, is probably one of the most intensely aligned countries in the world. It's a joke to call Cuba nonaligned. They have military alliances with the Soviet Union, they act at the Soviet Union's direction, they are economically dependent upon the Soviet Union, they act as a surrogate for the Soviet Union.

And so, I think it's important for me as President, not being preoccupied or fearful, to let the world know what the circumstances are, because I think it's contrary to the hope that we all have for peace.

Q. But what's our vested interest in Africa?

THE PRESIDENT. We have a major vested interest in Africa. Our trade relationships are there. It's a tremendous developing continent. It goes all the way from ancient and highly developed civilizations, as you well know, in Egypt, in the northern part of Africa, through a burgeoning black population in the southern part of Africa.

In the past, we've not had an adequate interest there. And almost by default, because we came in late or because we were not involved in a friendly, normal trade relationship where mutual trust and mutual friendships existed, we saw those countries turning to Marxist countries or Eastern countries for their support and their friendship. I think they would rather have a balanced relationship between us and the Soviets. I think in many instances they would rather have a democratic friend than to have a totalitarian friend. And I want to make sure they have that option.

#### VIEWS ON THE PRESIDENCY

Q. Basil Talbott of the Chicago Sun Times. Recent polls have shown your popularity dropping. I guess the Harris poll released this week showed that either Senator Kennedy or former President Ford could beat you if the election were held today. And there are some reports that your aides have urged you to get out around the Nation and try to bolster that image. I wonder if your trips to places like this—is that one of the purposes for this trip? And if it is, does that mean that you're a candidate for reelection? And whether you are or not, are you concerned

about these polls?

THE PRESIDENT. Well, I'm not a candidate for reelection. That's a question that I'll decide much later.

I've never been particularly excited about very good polls, and I've never been particularly concerned about very poor polls. They go up and down, as you well know. And quite often, polls vary among themselves at a particular time.

We've tried to address the crucial issues of our Nation without being fearful about political consequences. In some cases, they are long overdue in being addressed. Reorganization of government, welfare reform, energy policy, the Turkey arms embargo, which is now coming up, Mideast arms sales, the Panama Canal treaties—these things are not easy to do. And I could very well make every decision that I have confronting me on the basis of how it would affect me in the polls. I don't think that's the best leadership attitude for me to have. But I am concerned about it. I wish my popularity in the country was much higher.

And obviously, one of my duties as President is to get out among the people throughout the country, because I learn in the process. And in having these regional press conferences like this, talking to your legislature tomorrow, meeting with Democratic people tonight, and so forth, which I've done periodically ever since I've been in office, even when my opinion poll results were very high, I think it helps me to understand our country better.

So, I'd say it's a combination of hoping the people will understand and therefore like what I do, or at least sympathize with me and, in the process, let me learn more about the country.

MR. CORMIER. Thank you, Mr. President.

NOTE: President Carter's thirty-second news conference began at 4 p.m. in the Crystal Ballroom at the Blackstone Hotel. It was broadcast live on radio and television.

## Chicago, Illinois

**Remarks at the 1978 Cook County Democratic Dinner. May 25, 1978**

*[The fundraising dinner was held in several rooms at the Conrad Hilton Hotel. Following his arrival at the hotel, the President attended a reception in the Imperial Suite for head table guests and then spoke to the group assembled in the Williford Room. He then proceeded to the Waldorf Room, and his remarks follow:]*

*President Dunne, Mayor Bilandic, Cook County Democratic friends:*

It's an honor for me to be here with you tonight, a group of 7,000 Cook County Democrats who have come to reaffirm the principles in which you believe and which have been the basis on which the strength of the Cook County Democratic organization has been built.

Throughout our Nation, in the rural precincts of southwest Georgia where I live, in Hawaii, in California, throughout the country, there is a feeling of confidence in the loyalty and the effectiveness of perhaps the greatest Democratic organization in our country, the one here in Cook County.

I'm very proud to be part of you, to come into this family group, because there's a close-knit nature in Cook County which surprises the press, surprises the Republicans on election day, is brought about because of the fact that you've worked together like a family.

The last time I was here, I was nervous and frightened, but I was in the presence of a great man who was a personal friend of mine, Mayor Daley. And tonight, I am in the presence of a personal friend of mine, a great man, the successor of Mayor Dick Daley, Mike Bilandic.

I think one of the most crucial things in our country these days is for us to remember who gives us Democratic Party members and leaders strength, why we've been the majority party in this country for the last 50 years, how you've been able to

choose both Democratic Party members and candidates for local office, State office, and those who went to Washington from your State year after year, election after election—it's because when people are chosen in a position of leadership in Cook County, you demand from them two things: One is a closeness to you, and the second one is superb, constant service, so that the average person who might be poor, who might be illiterate, who might be very old or very young, feels that each one has an access into the heart of government.

That is what you demonstrate on a weekly basis, because you have access to your aldermen, you have access to your committee men and women, perhaps more than any other people in our country. And that closeness is what binds our party together. It reminds us where we get our strength, and it pays off on election day.

I have every confidence that this November it's going to be a great celebration and all of you are going to take part in it because of a Democratic victory again.

Thank you very much for letting me be with you.

*[The President spoke at 7:14 p.m. Following his remarks, he spoke to dinner guests in three other rooms at the hotel, and then addressed the guests in the Grand Ballroom as follows:]*

I was just passing through the neighborhood. I thought I would stop by and see you tonight.

I met George and Mike out on the street, and they said, "Why don't you come on inside? We've got a room full of dedicated, closely knit, hard-working, successful Democrats assembled." And I wonder if I came to the right place. Did I? *[Applause]*

For 2 years, in 1975 and 1976, I traveled around our great country in every State. At the beginning of my campaign, no one knew who I was. I was often timid and afraid and lonesome. But every time I came into Chicago, I not only saw

the beauty of your city and how well it was managed but I also felt a warmth and a friendship extended to me which I shall never forget.

In 1976, I came here to attend this same annual Cook County Democratic fundraising banquet. My escort that night was a longtime friend, a quiet man, a modest man, a dedicated man who was compassionate, someone who was a good administrator, a good Democrat, a good political leader, Mayor Richard Daley.

And tonight I come back as the first President to visit with you in, I think, more than 9 years, escorted by a quiet man, a modest man, a man filled with sensitivity and compassion, a man who is trusted, a man who's a good administrator, a man who's a good Democrat, a man who is a great political leader, my longtime friend, Mike Bilandic.

It's no accident that you have elected these two great leaders to guide Chicago through difficult times. It's no accident that your city government has a reputation of being the best in the country, because there is something special about the Democratic Party in Cook County.

George and Mike and I were discussing it briefly before we began to go around to the different rooms. And there are two things that are special about you. The first one is that there is a closeness that exists between the average citizen, who may be very poor, who may be even illiterate, who may be black, who may just be learning to speak English, who may be very young or very old, who has a timid voice, who's still close, in Cook County at least, to the highest elected officials in government. And the reason for it is the Cook County Democratic organizational structure.

Now, you might, having lived here all your lives, not see what you have that most other Americans don't have, because here a timid voice with a doubt or a fear or a concern or a need or a hope or a

dream can be heard. But in many parts of our country that's not the case. And when your committeeman or your alderman or others, every Monday night, or one night in the week, is there in the precinct, in a block, accessible, and you can take your problems to him and say, "I'm out of a job," or I need this or that, you have access directly to the mayor and even higher officials in Washington.

So, the closeness that exists because of this organizational structure is something of which you should be very proud. And the other one is the essence of the Democratic Party everywhere. We know who put us in office. We don't forget. And to the extent that we remember that and provide, to the best we can, service, to that extent we deserve to stay in office.

Well, this is a special honor for me, to come and meet with this group, hundreds of people in this room, a part of a much larger group tonight, a family of 7,000 representing tens of thousands of others who can't be here with us. Your successes in the past have been notable. You are admired by people all over the country. And this tight-knit organization is one that I hope you will not only cherish but even strengthen. And although you have made a contribution tonight just by being here and you might be committed that in November you'll go to the polls and vote, and maybe take your own family, I hope that you'll recognize 1978 is going to be a very difficult year in Illinois for Democrats, because at the highest levels of government Democrats are the challengers, and it's hard to upset an incumbent.

So, I hope that this year, remembering your past successes and your past history, each one of you will become a very enthusiastic, unselfish campaign manager and to try to spread your influence as wide as you can to be successful in this tough election period. And I believe that if you will, that this coming November, on election night, you and I together will again

be celebrating a tremendous Democratic victory in Illinois and also in Cook County.

Thank you for letting me be part of it. God bless all of you. Thank you.

*[The President spoke at 8:02 p.m. and then proceeded to the International Ballroom for the major portion of the program. His remarks follow:]*

*Mayor Bilandic, Senator Stevenson, Chairman Dunne, Mrs. Daley, distinguished friends of mine, and loyal Democrats of Cook County and of Illinois:*

I was here 2 years ago, but not as President. It's been a long time since a Democratic President came to address the Cook County Democratic fundraising banquet, but I predict that for the next 15 or 20 years, you'll have that opportunity.

I'm always glad to come back here. I don't know what to think of a chairman who would tell a joke about President's kinfolks. *[Laughter]* We've never learned how to spell very good on the farm. I think I know how to spell the chairman's name, though. D-o-n-e. *[Laughter]*

As the mayor and others have pointed out, my administration, my family, have been very close to Chicago since I've been in office. You've got a beautiful city, a superb administration here, the envy of the Nation. Beautiful architecture, which has already been pointed out, great buildings that have meant a lot to my predecessors in the White House, the Merchandise Mart and the Kennedy—*[laughter]*.

When I came to Chicago in the early stages of my campaign, I didn't have much to do, so I went around and looked at some of the buildings designed by Frank Lloyd Wright. My mother Lillian's favorite is the Sears Building, because we grew up with the Sears catalog. My brother Billy prefers Playboy Towers. *[Laughter]*

But I would like for you all to know that you're not the only progressive com-

munity in the Nation; Plains is making a lot of progress. We've got running water and electricity now. When you plug in the electric razor, the streetlights go out, but it's still a good city. *[Laughter]*

I was down there this past weekend at the wedding of my brother Billy's daughter. It was a tremendous celebration out in the country, and the only problem was when Billy got up to offer a toast to the bride with several hundred people watching, the pull tab wouldn't work. *[Laughter]*

I was impressed, as were you, with the quality of your Democratic slate of candidates. Alex Seith has been a friend of mine for a long time. He's a hard worker. He's going from door to door. He's listening to the people of Illinois. He's got a tough campaign on his hands. With your help, his tremendous experience in international affairs and his knowledge of your State, growing every day, will make it possible for him to come to Washington and to join me and the other members of the Illinois Delegation.

Mike Bilandic, a fresh and exciting young man, who needs your help, not just tonight with a contribution to the Democratic Party, but a dedication to make sure that these men and women who run as Democrats are not disappointed on Election Day. And every one of you are to commit yourselves in a difficult election year, in some cases challenging incumbents who are difficult to dislodge, but you are to become, in effect, individual campaign managers and use your own influence, your own time, your own effort for the next few months until November, getting your family and your neighbors, the folks with whom you work, to go out and help them be successful in November. No matter how hard they work, no matter how exciting they are, they can't win unless there's a sustained commitment to them by all of you 7,000 tonight and all the others who look to you with envy and

with admiration for your own leadership positions.

These men know the State of Illinois. They know the people. Mike Bakalis knows the name of the capital is Springfield. His opponent thinks it's "Springboard," I think. *[Laughter]*

I wouldn't want to go any further without complimenting and thanking the superb congressional delegation, who have really helped me in every possible way. Adlai Stevenson has been staunch; I'll mention him later on in my talk. Danny Rostenkowski has been not only helpful in his leadership position in the Congress, but he gives me good advice and counsel in foreign affairs as well. He suggested one of his closest friends as my Polish interpreter when I made my foreign trip. And, Danny, I hope you'll give your brother-in-law my regards when you see him. *[Laughter]*

I was able to go around to the different rooms to meet with the groups, and there was one point that I made to all of them, and that is that you have a unique political organization here in Cook County. You may not recognize what you have, you may not appreciate what you have. For 2 years I campaigned around this country in every State, at the beginning, very lonely, a little bit frightened of the enormity of my own campaign effort, but every time I came to Chicago, I could see something special. And I would just like to point it out to you tonight.

The basis for our democratic political system is the worth of the individual, but quite often those who need government services most are the ones who have a very weak voice. They are the ones who are poor. They are ones who are weak, themselves, who are insecure. Quite often they might be black, or they may not speak English very well. They may be even illiterate. They may be very young or very old.

In most parts of our country they would

have no way to reach out with that weak voice, expressing fear or concern or doubt or a hope or a dream and reach the core of government. But here in Cook County, they can do it.

And the connecting link is the Democratic Party and its structure, because they know that every Monday night or Thursday night on a regular schedule that the alderman or the committeeman, committeewoman will be sitting there waiting to listen to that weak voice and that that committeeman, that alderman has direct access to the top political leaders of this county.

I wish it was that way all over the country. It's not. But I hope you will preserve it and appreciate it and cherish it, because it's the kind of interrelationship between politics and government on which our Nation was founded, and it's the source of its present strength.

There's nothing like a quiet evening in Chicago with a few friends, Democratic friends especially. I know that God must love Cook County Democrats, because he made so many of you, and I am glad he did.

As I've looked into your faces tonight, I remember the 1972 Republican slogan. Do you remember "Bring us together"? Well, the Republicans have really brought us Democrats together. And I've learned from my own experience in Cook County and my own experience in the rest of the Nation that the best Democratic organization in the United States is yours.

You are following the advice that former Governor Adlai Stevenson gave us all when he said, "If you want to live like a Republican, you've got to vote Democratic." And that's what you put into practice, and that's why you're here tonight.

The last time I was here to speak to many of you was in 1976. My host and my escort was a quiet man, a modest man, a

dedicated, humane, and compassionate man, a natural leader, a good administrator, loyal, unselfish, good Democrat, great political figure, Mayor Richard Daley.

I wish he could be here tonight. But as I went to visit the groups assembled here 2 years later, my escort was a quiet man, a modest man, a compassionate, dedicated man, good administrator, loyal, good Democrat, good political leader, Mike Bilandic.

He's given me some news tonight that I am going to use and share with Danny Rostenkowski and with Adlai Stevenson. He said when the board of aldermen meet in Chicago, he can predict that the vote's going to be 47 to 3. [*Laughter*] And that's the kind of organization, Danny, that I'm counting on in the House. But Democrats are independents. We're individuals. We share problems, we share successes, we're not afraid to deal with difficult issues. And I think this is the essence of our strength.

As a candidate in 1976, I drew strength from the support of Richard Daley and many of you, and I know that the candidates that you have supported and sent to Springfield and to Washington cannot be excelled anywhere in America. It was Jake Garvey and the Cook County Democrats who put together the great ticket of Paul Douglass, Adlai Stevenson in 1948, and who sent Tom Dewey back to New York and sent Harry Truman to the White House again.

And it was Dick Daley and the Cook County Democrats again who helped our Nation and Illinois by working to send another Adlai Stevenson to Washington in 1970.

This year, it'll be George Dunne and Jack Touhy, Mike Bilandic and the rest of the Cook County Democrats and State Democrats who will send Alex Seith to Washington and Mike Bakalis to the Governor's mansion in Springfield. You've

done it before and I know you can do it again.

Now, I know that the Republicans can outspend us. They just about always have more money to spend in an election year than Democrats, but they can't outwork us. They can't outwork the Democrats in the Southside, in Bridgeport, Evanston, Cicero, Oak Park, or any of the other towns and neighborhoods around Cook County. And the Republican Party, although they have had some victories, of course, has never been able to earn the deep and penetrating and abiding loyalties of the people of this country.

The men and women who remember the great Presidents of this century, Democrats—Woodrow Wilson, Franklin Roosevelt, Harry Truman, John Kennedy, Lyndon Johnson—they remember the promises the Democrats made and the promises that we have worked to keep, men and women in your tradition have gone to the polls again and again to send Democratic candidates to Washington and to Springfield.

Because of loyal Democrats committed to principles and ideals that bind us together, we've been the majority party in the United States for nearly 50 years. We've set the political agenda for our Nation. We've provided the leadership, the reforms, the great social and economic advances. We have brought prosperity and jobs. We've provided the new ideas, the new faces, the progressive changes, and now we are leading the way on the new challenge of our own era, making our government lean and efficient, so that it can do the job that the people want it to do.

We have brought into our political system people who were formerly excluded, working families, women, young people, immigrants, minorities, and we've provided dignity and hope for all of them.

Franklin Roosevelt said it well in 1932,



and I quote from him: "These unhappy times call for the building of plans, from the bottom up, and not from the top down, that put their faith once more in the forgotten man at the bottom of the economic pyramid."

Now, compare that with the Republican Party. Its answer to just about every serious question and problem in this country has been one word—"no." Before I got elected with your help, the Republican administration even said no to putting people back to work. But we Democrats are saying yes to better education, yes to decent health care, yes to a real effort to stop inflation with mutual sacrifice, yes to tax reduction and tax reform, yes to solving our energy crisis, yes to reorganization and efficiency in government, and yes to human rights in our own country and throughout the world.

Well, in 1976, because of these differences, the Nation said no to the Republicans, and we will tell them, the Republicans, the same thing again in November, in Cook County, in Illinois, and in every other State in the Nation.

With the help of Adlai Stevenson, Danny Rostenkowski, and many others, all the Illinois Democratic Delegation, we've already begun to tackle our most serious problems, some of them almost insoluble, some of them long ignored because they are politically difficult. They are not popular, but we've had success already.

We've added 5.5 million net new jobs to our economy since January of last year. This is a record that's never before been equaled in the history of our country, and we are still expanding jobs for Americans.

Last month alone, we created more than a half million more jobs, and we are making sure, as the mayor pointed out, that Cook County gets its fair share of those jobs. And the reason for it is because you are willing to do your part.

The mayor was very gracious in saying that we were financing from Washington Chicago's plan for development. As a matter of fact, we committed yesterday to provide \$7 million—later on this year, perhaps \$12 million more. But when Juanita Kreps, the Secretary of Commerce, came to talk to Mayor Bilandic and she said, "What are you going to do? What are your local lending institutions going to do to finance this program?" he said, "Our banks will put up \$250 million." And she looked quizzical, so he presented it to her in writing.

And that sort of partnership between the Federal, State, and local government, Democrats working together with private industry, private labor, will be responsible over the next 3 years for an additional 17,000 industrial jobs.

We are also facing up to inflation, the most difficult single domestic issue that I have on my shoulder and that you have on your shoulder. We are not addressing inflation by keeping people out of work. We are not imposing mandatory price and wage controls. But by a voluntary partnership to pull down the wage-price spiral, we've frozen salaries for Federal executives to make sure that the Government sets an example of restraint.

We are bringing the huge Federal bureaucracy under control. We are reorganizing it. We are cutting redtape. We are eliminating useless regulations.

In 1 day OSHA eliminated 1,100 regulations, a bright day. We've even begun to write the necessary regulations in English for a change that farmers and our kinfolks from Plains, Georgia, can understand. And I've even asked the authors of the regulations now to sign them, and I hope they will be proud of what they produce.

We are close to a national energy plan that our country has needed for decades, a goal for which Adlai Stevenson and your whole congressional delegation have

worked so hard, to begin cutting down on our extraordinary dependence on foreign oil.

We are now importing about \$45 billion worth of oil from overseas. That money comes out of your pocket and mine. It robs us of job opportunities and growth and a better living standard. We are importing now almost half of the total oil we use. But we are on the verge now of having a good energy policy for a change.

We've devised, as the mayor mentioned, a national urban policy to create a new partnership between all levels of government and the private sector, to put new life back into our great cities—and particularly those who haven't done quite as well as Chicago, but there's plenty there to help Chicago, too.

And when we evolved this program we did not do it in the isolation of a backroom in the Oval Office of the White House. We consulted with Mayor Bilandic and other mayors around the country. We worked with the Members of Congress. We worked with Governors, State legislators, county officials to make sure that when we came out with a program it was sound, and we didn't add very much money to the Federal budget to carry it out. We primarily are now ensuring that partnership lets us get more benefit, more service from all the ongoing programs and for the few new ones that we are adding. We are revitalizing housing programs, job training, public transportation, environmental protection, civil rights protection, the Peace Corps. Under all this I'm completely dedicated to binding American families back together.

We ended the Republican cutbacks in aid to education. And I noticed from what Mike said, you've got the same philosophy in the State Capitol, to cut back education. We tried to change that. In fact, we've increased aid to education

more than ever before in history, and we put the emphasis back on the efficient use of funds for basic learning skills.

We are keeping a strong defense and breathing new life into our vital military alliances like NATO. Our strength militarily, economically, politically, the harmony between the Congress and the White House, is preserving peace. We've gone for the past year and a half without having one single American soldier shed blood in any foreign war.

And I'm determined to sustain this record and create world peace. We've made progress in the movement toward peace in the Middle East, but not in any way at the expense of our special relationship with Israel or at any risk to Israel's security. As I have said many times, we will never waver from our deep friendship and partnership with Israel and our total commitment to its peace and security.

We are working to stop nuclear proliferation and to remove the threat of human destruction by atomic weapons. And I'm proud to say we've put our national prestige on the line for human rights in every corner of the world. Whether a country is behind the Iron Curtain or not, we will no longer be silent as a nation about oppression and injustice. We are saying, "Give your people freedom to worship, to express themselves, to shape their own destiny, to vote, to live in peace, and to live in freedom." And as long as I'm President, we will never back down on our struggle for human rights around the world.

Well, we've done all this in less than a year and a half. And it's just the beginning. We are going to reform our health care system to guarantee decent health care at minimum cost for American citizens.

We are going to reform our welfare system, to cut waste and to help break

the tragic cycle of poverty once and for all.

We are working to cut taxes and to reform our tax system, to make it simple and fair. We are going to make sure that every tax dollar is spent wisely. We are going to wring out the waste from our system by taking a close hard look at every program that spends the taxpayers' money.

In short, we are putting aside the neglect of 8 long years, and we are getting back to work. We've started again on the unfinished agenda that Democrats set for ourselves nearly five decades ago during the Hoover Depression, and our steady progress will continue.

That still means a lot of hard work ahead, electing Democratic Senators and Members of Congress, and Governors and State officials and State legislators, mayors, county officials, aldermen who care about people, who represent the deep traditions of this party.

We're the oldest political party in the world, 186 years old, formed and led in the early years by Thomas Jefferson and other great Americans. But we didn't come this far by letting the system work by itself. It takes people of all colors, all backgrounds and ages, from all walks of life, to keep the Democratic Party fresh and active, to work not just at election time but every day. That's why we've been so successful and will be again this year in Cook County and in Illinois.

So, I call on you tonight to keep working for this great Nation and this great party of ours. Give it your support generously. It's an investment in your own future. Keep it alive and vital. Keep it open and responsive and caring about others. And above all, remember where we get our strength. Remember our Democratic Party history and keep it serving the people.

Thank you very much.

NOTE: The President spoke at 9:08 p.m. Dinner guests included George W. Dunne, president, Cook County Board of Commissioners, and Cook County Democratic chairman, Jack Touhy, Illinois Democratic Party chairman, and Alex Seith, Democratic candidate for the U.S. Senate.

Following the dinner, the President went to the home of James and Mary Eleanor Wall in Elmhurst, Ill., a suburb of Chicago, where he spent the night.

## Springfield, Illinois

*Remarks and a Question-and-Answer Session  
With Members of the State Legislature.  
May 26, 1978*

*Governor Thompson, Senator Stevenson, President Hynes, Speaker Redmond, Mr. Chief Justice, other distinguished leaders of the great State of Illinois:*

It's an honor for me to be here with you in this historic place from whence has come so many profound statements and deliberations in the history of our country and from which came perhaps the greatest leader who's ever lived in the President's house.

I'm very grateful, too, for the political wisdom concentrated here, as well as the governmental wisdom. When I began to plan my own campaign, I talked to present Speaker Redmond. He told me how to win an election, easily and quickly. [Laughter]

And I know that appearances here have proven to be very good in future Presidential elections. I think the last President who spoke here, according to the news media, was Herbert Hoover—[laughter]—who came here in 1931, just before his election, or campaign against Franklin Roosevelt.

This morning I have prepared a speech text which has been distributed, or will be, to you. I prepared it myself, and I think perhaps you might want to read it over.

But I thought in order to have a more constructive session for me that I would make a very few impromptu remarks and then spend what time we have together answering your questions. And just to be sure we are completely fair, I'll ask the speaker to recognize you for questions a little bit later on.

#### ADMINISTRATION POLICIES

I've been a member of a State legislature. My first elective office was to the Georgia State senate, where I served two terms. And I came to realize then the extreme importance of State government, the difficulties of public service, the courage required to make decisions on controversial issues, because almost every issue that comes here is difficult to resolve. If a matter is easy, it's solved in a family's home, or perhaps in a neighborhood or city hall or county courthouse. If it's much more difficult, it comes to your desk and eventually comes to the attention of the Congress of the United States and the President.

I know the pressures that come on members of government to try to deal fairly with their own constituents and still look at statewide problems and needs, and even those at the national and international scene. We've dealt, in the last 16 months in Washington, with these kinds of issues.

Tax reform sounds easy, but it is extremely difficult to hammer out with competing interest groups, focusing their attention on every Member of the Congress, a means by which we can reduce taxes on the American people, which are presently too high, and have a tax system that is simple and fair.

The welfare system is condemned from almost every vantage point, but it's almost impossible to hammer out a welfare system that gives needy people an adequate income to preserve their human dignity and at the same time can be a constant

inducement for those who are able to work to go to work.

Our country is the greatest consumer of energy on Earth, and we are also one of the greatest producers of energy. The Congress has been debating energy problems, natural gas pricing, deregulation for 30 years, and the focusing of pressures on the Members of Congress in trying to give our country a vision of what we can and must do to cut down on extraordinary energy imports is almost an impossible task. But they are making good progress.

In the last 16 months, we have done well in cutting down the unemployment rate, which was the crucial domestic issue in January of 1977. We've added a net increase, with your help, of 5½ million jobs in our country, and the unemployment rate has been dropped from 8 percent to 6 percent. But we are now faced with a much more tenacious and difficult problem of dealing with inflation. And I'm determined, as President, to do all I can in spite of the adverse political consequences, and I believe the Congress will join in with me in standing up against the pressures from very benevolent groups, people whom we care about, farmers—I'm one of them—older people, veterans, those interested in space, those interested in better roads. But there's a limit to what we can do at the Federal Government level in financing these programs, but it is very difficult to stand up against those pressures and have a sound, businesslike administration of a complicated government.

We are faced at the national level with additional responsibilities on defense, how to keep our Nation strong, the strongest on Earth, to provide for the rapidly changing technology that gives the unforeseen challenges in the future. And you have to anticipate those and correlate research, development, demonstration programs, construction programs, to give us adequate weapons; at the same time seek

for a reduction in those weapons and to kind of work with other countries in varying forms of success to get them to join in, in removing the threat of complete nuclear annihilation.

It's not easy to negotiate with the Russians on a SALT agreement, which is crucial to our country, and at the same time not let that be prevented by the unwarranted Soviet intrusion with their Cuban surrogates into Africa.

The Congress has dealt historically and courageously with the question of a Panama Canal Treaty, not a popular thing in the United States, but one, I think, that's absolutely important to our proper dealing with small countries around the world who look upon us to demonstrate that we believe in equality, that we believe in fairness, that we believe in human rights—a very difficult vote.

We've had another one recently on the Mideast arms sales, almost impossible to resolve to the satisfaction of the American people. It took a lot of courage to make those decisions, how to move toward peace in the Middle East, retain our total commitment to the security of Israel, at the same time not sever our relationship with the moderate Arab countries who also want peace so that they would have to turn to the Soviet Union or other Eastern bloc countries for their friendship and military needs—difficult questions. I recognize how hard it is to be a good State legislator, Governor, or Member of Congress.

This afternoon, I go back from here to West Virginia. I'll be talking about a subject that's important to Illinois—coal. And to study the technical aspects of the evolution of coal's use in the future, to correlate it with environmental protection, liquefaction, gasification, its competition with other energy sources is very, very complicated, and it's important for me to understand that subject, just as it is for you here in Illinois, a great coal-

producing State.

Later tonight, I'll be meeting with President Giscard d'Estaing from France. Tomorrow morning I'm tentatively scheduled to meet with Foreign Minister Gromyko of the Soviet Union. I'll be getting tonight, late, a report from Dr. Zbigniew Brzezinski, who's just come back from days of negotiation and communication with the leaders of the People's Republic of China.

So, I'm not saying these things to deplore the responsibility that I have to share with you, but to indicate to you that quite often the difficulties of public service are not adequately understood by the American people. And the best way to let them understand it is to keep an open mind and an open heart and an open door and to reach out for them for advice and counsel, because I believe that all these subjects can be best resolved successfully to the extent that the American people, the people of Illinois are involved in the deliberative process, that the debates are open. But when you make a decision in isolation, you have a tendency to create a Watergate or Vietnam war or a CIA embarrassment. But the American people are basically decent, basically honest, basically have great common sense, and to the extent that they are involved in a process, we can avoid the potential pitfalls of making an improper decision.

The eyes of the Nation now are focused on the men and women in this chamber. Illinois has a great tradition of insisting upon equality of opportunity. Lincoln conducted his debates in this very place. Illinois was the first State that voted to ratify the constitutional amendment giving women a right to vote. You have written into your own constitution equal rights for women.

Thirty-five other States have now ratified the equal rights amendment, and what you do here in this chamber in the next few weeks might very well determine

whether women do have those equal rights guaranteed in the United States Constitution or whether they don't. And I know the focusing of political pressures on you is not easy to make that decision, and quite often you might fear, "I can't be reelected, or I can't please the more vocal groups in my district if I vote what I know my conscience says is right."

So, you share with me that kind of decision that is never easy. You and I share a partnership, because almost everything that we decide in Washington in giving American people fairness, equality, and opportunity to enjoy the privileges of citizenship are administered by you.

And we've tried to evolve programs recently, recognizing that partnership. A new urban policy was hammered out with members of your legislature, county officials, your Governor, obviously your congressional delegation.

Well, I'm very proud to be here, to share with you this morning some of my thoughts about the responsibilities of public service, the difficulties of it, but the gratification of knowing that we are helping to shape the character of our Nation and we are trying to make sure that Illinois represents, in its government, the finest possible aspects of our people, that we are trying to inspire them to reach for greatness, to honor ideals and principles, in spite, sometime, of the political consequences.

And now, Mr. Speaker, I would like for your joint session to ask me any question that you might have concerning national or international affairs. I'll do the best I can to answer the questions. If I don't know, one of those difficult political decisions is to admit that I don't know the answer. But I'll let the speaker recognize you, and I'll try to keep my answers brief.

**SPEAKER REDMOND.** Representative McPike, like the President, a graduate of the United States Naval Academy.

## QUESTIONS

### LABOR LAW REFORM

**REPRESENTATIVE PIKE.** Thank you, Mr. President. Roy Sandquist and I, as graduates of the Naval Academy, share your feelings on the equal rights amendment. But on another important subject, Illinois, as a northern, industrial State, in the past 10 years has lost many manufacturing jobs to the South. To a large degree we feel that this is due to nonunion wages that are prevalent in the Sunbelt. We therefore feel that passage of the labor law reform bill now in Congress is very important. Could you comment on its importance and on its chance of passage?

**THE PRESIDENT.** As you know, I'm from the South, and have been a Governor. And I would say that I spent 25 percent of my time, as do other Southeastern Governors, in recruiting investments in our State, not only from the rest of the Nation, including Illinois, but also from foreign countries, Japan, Germany, and others, and trying to sell Georgia products overseas. It is a major responsibility of a Southern Governor.

We have now narrowed, however, wage differentials between the South, which used to be very low-wage regions, compared to the rest of the country. The year that I went out of office as Governor, the difference was only 11 percent, because as the major nationwide companies have moved into Georgia, South Carolina, other Southeastern States, they cannot afford to pay their own employees a different wage scale in Georgia than they do in Illinois. Locally grown, nonunionized companies, of course, have attempted and have sometimes succeeded in not meeting that competition, and have very low wage rates. I favor the labor law reform legislation. I think it is a very modest bill. I read every provision of it before I would send it to the Congress with my approval.

I am a very conservative Southern busi-

nessman by heritage, and I think that the National Labor Relations Act, which was a major step forward when it was passed, has been the basis for harmony, for higher productivity, for less conflict between business and labor for a long time.

There are a few defects in the law that ought to be corrected—unnecessary delay, deprivation of employee rights—and although I think it might contribute, as you said, to a more stable labor base throughout the country and eliminate some advantages that the South does have in that respect, I still favor the legislation. And as you know, the House passed it overwhelmingly. There's a majority in the Senate for it already. The question is whether or not 60 votes can be obtained for cloture to stop the filibuster. My prediction is that the law will be passed.

SPEAKER REDMOND. Representative MacDonald.

#### SOCIAL SECURITY SYSTEM

REPRESENTATIVE MACDONALD. Thank you, Mr. President. We are honored by your visit here in Illinois today, and we hope you enjoy it.

THE PRESIDENT. Well, it's my honor.

REPRESENTATIVE MACDONALD. As you know, Mr. President, inflation is the enemy of all of us as elected officials, and I was wondering how you felt the increase in the social security tax affected your long-range fight on inflation?

THE PRESIDENT. There's no doubt that the passage of a social security tax will contribute to inflation to some degree. I think, though, that the compensating tax reduction which we are proposing now—originally \$25 billion, now lowered to \$19 or \$20 billion—would much more than compensate for any increase in social security taxes. Also, as you well know, the average working family in our country will not have their social security payments increased because of the recent

legislation.

That legislation was absolutely mandatory. Two of the three reserve funds for the social security system were faced with immediate bankruptcy. One of them would have gone bankrupt next year, the other one 3 years later. So, the Congress had to increase income going into those reserve funds to keep the social security system sound for all of us.

The primary increase in social security payments will fall on those who are in an income bracket \$20, \$30, \$40,000, up, the higher range of the working families of our country. But I think one thing that has been forgotten is that as they pay higher social security taxes in the future and there are modest increases, they will also get higher benefits if there should be a death or if they live until retirement. So, there a compensation is made.

So, although it does contribute slightly to inflation, there is no alternative to it. The only alternative being considered by Congress is whether to finance the social security system from general funds, and the Congress feels—certainly the Senate feels much more strongly—that the social security system should stand on its own and should not be financed by general funds.

So, I think that I've explained it as best I can. I was in favor of the bill, am glad the Congress is not going to undo it. We have set up, or are setting up, a long-term analysis of the social security system that will be ready for me and the Congress perhaps within a year. But this legislation now passed, moderate increases for the higher income families, will keep the social security system sound for the next 25 years. It's a good investment.

SPEAKER REDMOND. Representative Berman. I just want to show the senate that we really are fair in the house. Senator Berman.

SENATOR BERMAN. Thank you, Mr. Speaker.

Mr. President, welcome to Springfield. We're honored to have you here.

THE PRESIDENT. Thank you.

#### U.S. RELATIONS WITH ISRAEL

SENATOR BERMAN. My question relates to the concerns of the Jewish community in relation to the State of Israel. Many of us who have Jewish constituents and are Jewish in this body have great apprehension that there's been a deviation from the classic position of the United States of a special relationship and a total commitment to the security of Israel. We have heard of this apprehension from our own constituents, and I appreciate your office has indicated that an aide would be willing to meet with the Jewish legislators after your meeting, but I don't think that's necessary because I think this is much more meaningful, and I appreciate this opportunity.

I think the Jewish community is going to be looking for deeds, but I would ask you this morning to please comment on what type of message we can bring back to these people that are fearful of this deviation, to reassure them of the total commitment of your administration to the security of Israel.

THE PRESIDENT. Thank you, sir. This is one of those difficult questions that I mentioned earlier.

The special relationship between the United States and Israel still stands. Our total commitment to Israel's security and our hope for peace is still preeminent among all the other considerations that our Nation has in the Middle East.

I have spent more time on the Middle Eastern question since I've been in the White House than any other subject, not just in analysis within our own group and with the Members of the Congress, who are deeply interested about what our country's position ought to be, but having long, detailed, sometimes private conver-

sations with all the leaders of nations participating in the potential or existing negotiations in the Middle East.

Israel has dominant air capability in the Middle East, and that dominance will even increase as a result of the recent approved arms sales.

I don't know anyone in the world that I am more convinced wants peace than Anwar Sadat. When I met with him for the first time early last year, he said to me, "Mr. President, what is it that I can do to break the deadlock that has existed for years and years between us and Israel?" I said, "First of all, you can negotiate directly with the leaders of Israel, not through us as intermediaries." He said, "I don't believe that's possible, Mr. President."

I said, "You can break down the barriers that have existed between Egyptians and Israelis and the hatred that evolves from constant radio broadcasts and propaganda efforts." He said, "I believe I can do that."

I said, "You can put forward a proposal where in the future the borders between Israel and Egypt will be open for trade, tourism, student exchange, cultural exchange, even diplomatic recognition." And he said, "That will never come in my lifetime."

That was about a year ago. And there has been a dramatic change since then. Most of it took place, as you know, during the November–December era, when Begin received Sadat with open arms, and vice versa. And both those leaders have told me they were shocked at the warmth of the reception of Israeli negotiators when they arrived in Egypt, and of Sadat and his negotiators when they arrived in Jerusalem. I think this proves that the people in Egypt and Israel genuinely want peace.

Since then I've met with both leaders extensively, and I'm convinced that if we sever our relationship with the moderate Arab nations, with Egypt—by far the



dominant nation as far as the Arab world goes—with the Saudi Arabians—who are not part of the negotiating process, but who have a very good moderating influence—with King Hussein, and just isolate ourselves with a bilateral relationship with Israel, it would almost prevent any further, future progress on peace.

So, our commitment is to continue, in spite of constant discouragement, in spite of political costs, to move toward a resolution of the issue.

I think when Sadat went to Jerusalem, that Begin responded with a very good proposal, which was a step in the right direction, a basis for good negotiations—how to withdraw from the Sinai, how to have some negotiations about home rule, so-called, for the West Bank, Gaza Strip area.

We are not trying to impose a settlement, but we'll still have active negotiations going on, getting a message from the Israelis, delivering it to the Egyptians—they're always disappointed—getting a message from Sadat, delivering it back to the Israelis—they're always disappointed. We're kind of an unappreciated postman going back and forth between leaders who tried to open a door at the end of last year and have now seen the door closed again.

I believe that the confidence that Egypt now has that we are concerned about their security, not against Israel—the F-5E's are no match for the Israeli Air Force—but against their other neighbors, who are on the continent of Africa, I think, is a very sound insurance policy that in the future Sadat will trust me enough and trust our Nation enough to continue to negotiate in good faith, even when the Syrians, the Iraqis, the Libyans, and others are castigating him for keeping the peace doors open.

And I believe that Israel can rest assured that there will never be any deviation in our own country, of our total

commitment to giving them adequate provisions to defend themselves.

Prime Minister Begin, I think, shares what I've just said to you, and I don't believe that Sadat would disagree with a word of it. But there need be no concern among the Israeli people nor among Jews in this country that our Nation has changed or turned away from Israel. It was a difficult vote, but I think it was an honoring of past commitments. And if we had violated our Nation's word of honor to provide that modest amount of military capability to those two Arab countries, I think we would have driven them away from us permanently and driven permanently away any prospect for peace in the Middle East, which we pray for and which I'm determined to pursue until the last day I'm in the White House.

I believe we still have a good chance for success.

SPEAKER REDMOND. Senator Glass.

#### LABOR LAW REFORM

SENATOR GLASS. Thank you, Mr. Speaker.

Mr. President, lest you leave Illinois with the feeling that all members of the chamber share the views of my esteemed colleague on the other side of the aisle regarding the labor reform act, let me assure you that only is not true, but I and, I think, a number of others feel it would be one of the most dangerous and disastrous pieces of legislation for our free enterprise system as it exists today. And I don't intend to belabor the point, because you have stated your position on the bill, but I would like to be specific about it.

There is a provision in the bill that would require blacklisting of businesses who have violated the terms of the act. And as I understand it, that would prohibit the Federal Government from engaging with those firms in signing contracts with them.

I wondered if you would approve that provision and, if so, why?

THE PRESIDENT. Well, there are several provisions in the bill that concern the Members of the Senate. I do favor the bill as it was passed by the House, which includes that particular aspect. I would not describe it in exactly the same words you used. But there is some need for a threat of punishment to any person in this country who violates a law, and if a business violates the laws of the United States, there has to be some threat of consequence adverse to that business. It might be imprisonment in the penitentiary, it might be a very heavy fine, or it might be the threat of losing Government business until they do come into compliance.

There's a debate about how long an election might be delayed, whether it'll be 30 days, 45 days, or 60 days. There's a concern among many people, also, about the right of labor, if business campaigns against a labor organization, that that labor organization has a right to access to that property. That bothers a lot of Americans. But my guess is that when the Senate gets through debating the bill—and it's a fairly narrow vote, nobody knows the outcome of it yet—that some of the things of concern to you might very well be changed.

But I know the controversy involved in this bill. I think if the bill had been radical in nature, there would not have been mounted a more strong attack on it. In my opinion as a businessman myself, coming from a very conservative region of our country, it is a very modest and moderate piece of legislation. But there's room for disagreement, which you pointed out very well.

SPEAKER REDMOND. Representative Ray Yourell.

#### URBAN UNEMPLOYMENT

REPRESENTATIVE YOURELL. Mr. President, the urban areas have become decadent in many ways; some are almost bankrupt, and minority employment is about 30 percent or better in some areas. Considering these areas as man-made disasters, has your administration made any plans, let's say, perhaps to consider them man-made disaster areas and thereby capable of receiving help. Or perhaps you have taken the Humphrey-Hawkins plan under consideration, or perhaps you have a plan of your own.

Do you have a comment?

THE PRESIDENT. I'll be glad to. Of course, one of the most severe problems in the ghetto areas have been deterioration of the quality of life, not just housing, transportation, law enforcement, health care, education, but also a matter that struck to the heart of those regions, and that was the unemployment question.

I think the Congress has made notable progress in the last 16 months. The programs have been administered well, too. And as I said earlier, we've cut down the unemployment rate substantially, and we've increased employment opportunities, a net of 5½ million jobs, which has never been achieved before in the history of our country. Those programs are still ongoing. Since we've now cut down the general unemployment rate among those easier to employ, now I think the special programs, the public works programs, the CETA jobs, and so forth, can be more narrowly focused upon those who are difficult to employ.

We've also marshaled the support of the National Alliance of Businessmen. Sixteen months ago the highest unemployment rate among white and black young people was Vietnam veterans. We had a special program called HIRE, where the business community volunteered to hire Vietnam veterans. We have

now cut that unemployment rate down among that particular group so that it is actually lower than the average of their age group throughout the country.

I had a meeting at the White House this past week, this week, with about 150 top business and labor leaders, and they volunteered now to add 100,000 more jobs, employing those that are most hard-core at the time of unemployment, those that are the last to be hired and the first to be fired. So unemployment, we've made very good progress.

We've hammered out now for the first time in the history of our country again a comprehensive urban policy. We didn't do it in an isolated room or from an ivory-tower prospective in the White House. We've worked closely with the Members of Congress, including Gus Hawkins and others. We worked closely with Governors, mayors, county officials all over the Nation, and I think it's gotten almost unanimous rave reviews.

We didn't add all that much money in total budget expenditures. It's a very modest financed program, but it brings into cohesion for the first time the interrelationship among the different departments and agencies of Government. And its thrust is, under Pat Harris, better houses, under the Transportation Department, better and more focused transportation systems. And it forms a partnership between State and local government and the Federal Government.

I think it will be very constructive in the future. It really preserves and enhances our system of federalism. I'm quite aware that when we had this general progress, when the GNP goes up 6 percent last year, when business profits are at all-time high, when, lately, the stock market has gone up, when the unemployment rate goes down, that there are pockets of unemployment among young people, black people, women, that are still extremely high. And this preys on my mind

constantly, and the Congress is very much aware of it.

So, we have made some progress in the short time I've been in the White House. But I intend to obviously make more progress. And there I think we can mutually support one another, because the State legislators, the Governors, and others can do a great deal to point out to us defects in how we administer those laws and make sure that jobs actually go to the people that deserve them and want them, and the housing programs actually serve those who are most in need, and so forth.

Transportation, education, all are very important. We've added more education dollars to the Federal contribution than ever before in history, even under Lyndon Johnson, but, you know, we don't administer the elementary and secondary schools. That's got to be done at the State level and the local level, and that's the way it ought to be. So, we'll do our part. I'm sure you'll do your part to make us bring about some resolution of these longstanding, chronic sufferings in our country that are unwarranted, primarily because of past discriminations and present lack of knowledge or callousness about those who are less fortunate than all of us assembled here.

Let me say this in closing: I've enjoyed this very much, and I think you might want to read over the speech that I had written earlier. It gives some additional points that I touched on briefly this morning. It's helpful to me to understand what questions are of concern to you.

Illinois is our great agriculture-producing State. I'll be meeting with Senator Bruce and a few others immediately after this meeting. They've gotten a group of farmers to give me questions about exports. We had our best export year in history last year, even with depressed prices. We're determined to have an even great-

er agricultural export year this year. And we are working very hard to make sure that we do have a sound program that affects not only the country but you.

Now, I recognize that quite often when I make a nationwide decision that we leave gaps because of special local differences or aberrations from the average. We have to make, in Washington, the laws apply to the average. And that's where the State legislators come in. Because to the extent that you understand the thrust of a Federal program, you can either take full advantage of that if it's adequate and invest your money and your efforts somewhere else, or if you have a special need that can't be recognized by a nationwide law, then you can fill in the gaps and meet the needs of your own people.

But to get back to my original premise, the insurance that we have that we make those decisions properly is to stay close to the people who put us in office. And this is one of the elements I think that's been missing too much in our political structure in the last few years, because there's been a building up of distrust against government, and a chasm has opened between government and people. And that can be resolved only by you and me.

We live in the greatest nation on Earth, and I hope that with your help, the Congress help, and the help of all American people, in the years ahead we can make it even greater than it is.

Thank you very much.

NOTE: The President spoke at 9:16 a.m. in the house chamber at the State Capitol Building. Prior to his remarks, the President met with William A. Redmond, speaker of the house, Thomas C. Hynes, president of the senate, Daniel P. Ward, chief justice of the supreme court, and other Illinois State officials in the speaker's office at the State Capitol.

## Springfield, Illinois

*Remarks at a Fundraising Breakfast for Michael Bakalis. May 26, 1978*

*Senator Stevenson, Governor Shapiro, my longtime friend and classmate, Governor Dan Walker, Secretary Dixon, future Senator Alex Seith, future Governor Michael Bakalis:*

I've enjoyed my visit to Illinois. I've been excited and exhilarated by the friendship and the warmth of the welcome here, by the determination and the spirit that exists within the Democratic Party.

I have been concerned about some things, though. The problems that I face in Washington seem to be much more acute when you leave there and come out among people.

The price of food concerns me. You could have bought the same breakfast yesterday morning for \$2 or \$3. *[Laughter]* But perhaps this is good for Mike. I understand that in Illinois the Governor has to get used to lobster, cognac. *[Laughter]*

Mike pointed out the trials and tribulations and also the excitement of running for a major public office and dealing with political questions as an underdog. I know how that is. I have to deal with the Congress every day. *[Laughter]* But I do know that there is a need in this State for a man who fills the unique standards of leadership.

I've gotten to know Mike Bakalis since I first came in Illinois to campaign. Mike had a campaign breakfast for me here in Springfield the first time I visited your capital. And I've studied the issues in Illinois. And I've tried to think about what the people of this State would want if they were choosing a perfect Governor.

First, I think there would be some requirement of compatibility between the

Governor on one hand, local officials, schoolteachers, colleges, county Democratic Party officials who are loyal, congressional delegations, the President, to make sure that we get the best out of our system of federalism, with which God has blessed us; a man who can work in harmony, not in a disputatious or combative way, because the people don't like to see division and sharp disagreements among public officials who serve them. It might make the headlines and the press might be intrigued with it, but what the people want, who are not particularly interested in politics but just want their services to be filled, is someone who can bridge a gap and not create a gap.

I think Mike Bakalis is that kind of a person. I would say in this day and age in our country there is a real concern about distrust of government by people. How can we have good service, at the same time be treated fairly, have our children lead a better life, even than the one we have, not have our government run uncontrolled and waste our taxpayers' money? These are questions difficult to resolve.

And if I were seeking for a perfect Governor of Illinois, I would want a man whose background and experience could guarantee that that is his qualification and his attitude.

There's not a more self-sacrificial commitment that I know than a bright young person who volunteers, when he begins his life, to be an elementary school teacher and to teach high school and later to be responsible for the educational system of a great State. It's a thankless job. And particularly during the years when Mike Bakalis filled this responsibility, because that was in a transition phase when quite often mayors and Governors, Members of Congress were reluctant to accommodate social change and to deal with the difficult question of caring for children—some of

whom were black, some of whom were white—but to educate us, were on the cutting edge of making changes that have benefited us all, it took not just dedication and unselfishness and knowledge and high training but it took a sensitivity and a compassion that this man has exemplified.

I think it's important, too, that there be a close relationship between a public servant and people who still have to work for a living. A lot of us have been blessed by God with high achievement and a sound and secure economic status and a predictable job opportunity that we don't have to worry about every day, and we are socially prominent and we are politically influential. If our children get in trouble with the law, the chances are that we can go to the judge and in a completely proper way say, "Judge, I have a good family and my boy has made a mistake. And I hope that you will let him not go to prison. It would destroy his life; let us be responsible for him."

The chances are the judge would do right and say okay. But someone who does not enjoy our standards, who might be very poor or illiterate or from a divided family, or the father unemployed or black or who can't speak English well, the same judge, with the same open heart and the same dedication to justice, might say I don't think we can trust this young person who's made a mistake to go back into that family home.

So, I think that a public servant has got to know from experience how to deal not only with students in the classroom but with their families back home and say, "How can we correct the defects that exist in our great country and give those dependent people who want to share our blessings an opportunity to do so, not with a government handout, but with a chance to work, to have some self-respect, to feel like they are equal in a country that's

dedicated to equality of opportunity?" And that sensitivity exists in Mike Bakalis.

Government is designed to serve those who need help most and the humaneness of government is not incompatible with a tough, competent, businesslike, managerial approach. You can't deliver services adequately from a limited supply of tax income if the government is disorganized or wasteful and if you don't have the judgment and the sound practical experience behind you to make priority judgments and to work harmoniously with your fellow public servants.

Well, Mike has had that kind of background and experience. He's done a superb job in his present position. No one doubts it. Everybody agrees. There are some Republicans who think he ought to stay there because he has done such a good job. But I think that combination of understanding the need and the thrust and the legitimate function of government on the one hand, and tough, competent business management on the other, is rare. But he happens to have it.

And, finally, I would like to have a man that has a background that kind of gives him a picture, even from his infant years, of what this country is, the diversity of people. Now this is not a melting pot, as I said many times during my campaign, it's more like a mosaic. You've got different people that retain their identity and their heritage and their pride, but still fit in together to create the strength of our country. And as Mike himself just mentioned, his parents came here from a foreign country, from Greece, a man who had no assured job—Mike's father—he drove a truck, couldn't speak English well, of course, later saved up money because of hard work and care, and the love and support of his family, bought a little short-order restaurant.

But he had two boys that he cared for and loved—George became a lawyer, a

very expensive process, and Mike got his doctorate in education.

And it was the kind of family structure that I think is needed in our country—a solid, unshakable, family inter-relationship that is the foundation of what America is. Because the boys didn't sit back and say, "Daddy, you put me through college." They joined in and did their share and then some, and it was a mutuality about that thrust and purpose in those young men's lives that's part of the American dream.

And there's no doubt in my mind that Mike can understand the special problems of Spanish American people who still can't speak English very well, or the very poor, or the black, or the very young or the very old, or the European families who have come here recently, who make up our country. He can understand that, not because he goes and studies it or asks some college professor to let him read a book, but because he's part of it.

So, you've got the kind of leader here who has those qualifications, and I would say the last and most important thing as far as a political campaign is concerned is not letting down one's supporters. I would hate to invest \$500 in the campaign of somebody if I didn't think they were going to do more than their share. Well, you don't have to worry about that. You've seen Mike in the past, in his two previous campaigns against almost hopeless odds, win.

And that ability to plan a campaign against hopeless odds is a very good preview of the way someone serves as a school superintendent or a comptroller or a Governor, because if he can put together that, it shows that you can work with other people in the same common goal. But I think the campaign being successful also shows that he can relate to the person on the street when he reaches out a hand and says, "I'm Mike

Bakalis, I'm running for Governor." I think that there's got to be a kind of an interrelationship there and a mutual trust. There's a foundation for a success, and I know that you know that Mike Bakalis will never sit back and say, "Let my friends do it." He'll be working longer hours than any of you or any of his staff, and he'll be studying the sensitivities of Illinois people and the needs of this State more than perhaps any of you.

So, in closing I would like to say this: I'm thankful to you for your generosity in coming here this morning to help out a good man. But there's more to it than that. This is not going to be an easy campaign.

I know how difficult it is to run against an incumbent. President Ford was my opponent. And in spite of the early polls when Ford and Ronald Reagan were still fighting each other and each one of their supporters didn't want to pledge to support the other, I saw that to run against a good, sound person who has the aura of the office is very difficult. But I've got confidence in Mike that he can win. But it's not going to be possible for him to do so if you come here this morning, say "I've done all I can, I've given a good contribution, let Mike handle the rest."

Every one of you ought to be thinking now about how you can go back to your own community and become the core of a rapidly spreading campaign organization, kind of a personal campaign manager. It's important to Illinois. You know how I feel about this brilliant young man who's kind of one of the shining new stars on the political horizon, who has all the qualifications that I've just described. I wouldn't say them if I didn't really think they were true.

I don't think anyone in here would disagree with what I've said about him. Even his political opponents could not possibly disagree with what I've said. He would

be a credit to Illinois, and a credit to the United States of America.

I hope that you and I can help him get elected.

NOTE: The President spoke at 10:25 a.m. in the Lincoln Room at the Holiday Inn East. In his opening remarks he referred to former Illinois Governors Samuel H. Shapiro and Dan Walker, and the secretary of state of Illinois, Alan J. Dixon.

## Charleston, West Virginia

*Remarks at a Fundraising Reception for Senator Jennings Randolph. May 26, 1978*

*Senator Jennings Randolph, Governor and Mrs. Rockefeller, Congressman John Slack and Rahall, distinguished members of the Jennings Randolph fan club, of which I am a member:*

It's very good to be back in your great State. I'm following in this beautiful place one of my favorite performers, Willie Nelson, who's perhaps the greatest country music player in the country, with the possible exception of the majority leader of the Senate. [Laughter] And Willie Nelson represents, in a strange way, the same thing that Jennings Randolph does. He sings about average American people, hopes and dreams and fears and discouragements, concerns, questions. He sings about being homesick, and he sings about young people who go away and who want to have an opportunity to go back where they came from and find a good job and a sound life. He sings about veterans who have been in Vietnam and who came back to a strange world where they were not adequately appreciated. He sings about people who are handicapped in different ways—people who are poor, people who are not well educated, people who don't have a strong, loud, demanding voice, and who don't belong to any organization that's powerful. He sings

about the greatness of our country, and particularly about the working people of the United States.

And those are exactly the same people who love and who are served so well by Jennings Randolph. There's something special about this man. This meeting or rally was not even planned until about 10 days ago. But the fact that you have come here from all over this great State, traveling hundreds of miles to pay your respects to a leader, is indicative of how much you care about him. The former majority leader of the U.S. Senate, Mike Mansfield, said recently that Jennings Randolph had touched the lives of more Americans than any other United States Senator who has ever served.

Senator Randolph's career has been long and distinguished, but there's another remarkable thing about him, and that is he does not dwell in the past. And I want to relate to you just a couple of his accomplishments, which I believe demonstrate his proven devotion to duty, his tenacity when he faces obstacles in the way of his doing a good service for you and the other American people, and his vision of the future.

In the depths of the Depression, which I remember very well, and which all of you remember too who are old enough, Jennings Randolph sat down with a map of the United States of America, and he drew lines north and south and east and west. He called his product, way back then, the transcontinental super highway system. And then he began to hold congressional hearings.

It took 20 years for other Members of Congress and the Presidents to realize how badly our Nation needs a better road system to take our goods to market and let our people be bound together as visitors, as friends, and as part of one great national family.

We now have the Interstate Highway System. And I drove in a few minutes ago from the airport, and I realized that every one of the Interstate Highway System roads built in West Virginia and in Georgia, 90 percent of the cost was authorized by Jennings Randolph's committee, and the original concept and idea was originated in the mind of this great man.

But he's a modest man. He's not the kind who would go around this State saying, "I built you this road." He doesn't try to claim credit for his great work. But it would be a serious mistake for those who live in this State and who are going to make a decision this fall to forget what he's done for you and for us in Georgia and throughout the Nation. And this is the kind of quiet service that ought to constantly be recognized.

Another example—and I wish I had time to go through a whole list, but I just picked out two or three. In 1942 Jennings Randolph introduced a proposed amendment to the Constitution to extend the right to vote to young Americans 18 years old. They were old enough to fight and to give their lives for our country, but for most Americans, even enlightened Members of the House and Senate, who were Democrats even, they were not old enough to vote. But Jennings Randolph, being a man whose heart is young and who can see the value of the future, said, "I think these young people ought to have a right of citizenship."

His amendment was not adopted that year, but as is his nature, Jennings Randolph did not give up. He introduced this proposal 11 different times, and each time picked up a little more support because of his persistence and the depths of his belief in young people.

And in 1970, the Congress finally passed and then the States ratified the



26th amendment to the great Constitution of the United States. And it's a credit to him, of course, but it's also a credit to West Virginia that this document, which shapes our lives now and in the future, was modified for one of the few times in history by the man who has served this State so well. And again, he's a modest man. He doesn't go around bragging about his accomplishments, but that quiet, good, solid service, based on visions of the future years but also based in how close he is to you and to your children, is what has made him so effective.

Well, finally, let me just recall for you that in 1959, Jennings Randolph introduced a bill to create a national commission on fuels and energy. I wish it had passed when he introduced it. *[Laughter]* But this was a measure specifically requiring that our Congress and the President back then develop a national energy plan. And when he introduced this legislation almost 20 years ago, his words were clear and prophetic, and I would like to quote just one sentence: "Every year we delay in establishing a national energy policy perhaps brings us 1 year closer to disaster."

Almost 20 years later, finally, we're on the verge of developing a sound energy plan for our country.

Of course, I can't claim that Jennings Randolph didn't have some ulterior motive in mind, because the plan calls for a heavy reliance on West Virginia coal.

I don't believe anybody here will be surprised to learn that the coal utilization conversion bill which has already been approved by the House and Senate conference committee—and it's sure to become law—is almost exactly the same bill that Jennings Randolph introduced himself long before I became President. And I might add that as we use more and more coal, that coal will be hauled over the

same Federal highways and the roads in West Virginia for which Jennings Randolph is directly responsible.

Well, I won't talk much longer, but I would like to say a couple more things. I've just cited a few of the accomplishments of this great leader. But they vividly underscore that he's not a man of yesterday, but he's a man of today and tomorrow. He's strong, determined, vigorous, active, competent, and because of the respect which he enjoys throughout the Congress and certainly in the White House, he's effective.

I think that there's no one who has done more for American veterans. I think there's no one who's done more for the disabled and the handicapped people of the United States. I think there's no one who's done more for all those who live in Appalachia, because the legislation that set up the Appalachian Commission, which I headed as chairman when I was Governor, was introduced, you know, by Jennings Randolph.

He doesn't believe in government hand-outs for those who are able to work, but he believes in giving people the opportunity to work if they are able. And I don't believe anybody has helped me more in trying to bring down the unemployment rate than has Jennings Randolph.

And finally, and what's perhaps most important of all for me, is that he's a man on whom you can depend, a man of absolute integrity. There has never been an allegation against his honesty, against his integrity, against his commitment of what was fine and decent and idealistic, that represents accurately what all West Virginia people would like to be themselves and what they demand and expect in a leader who represents them in the national and international councils of the United States Senate.

Well, as President, I face difficult and sometimes almost insoluble problems. And

I need Jennings Randolph in Washington to help me to serve our people, those who live here and those who live around the country. This is not going to be an easy election year. It will not be an easy campaign for Jennings Randolph. And I know that you've sacrificed coming here, contributing to his campaign financially. And I would hate for any one of you to go away thinking that you've done all that he or I expect from you.

When you get back home, think about the prospects for victory in your family, in your block, in your rural neighborhood, in your town, and say, "What can I do, myself, to organize an effective campaign with me as the campaign manager?" Don't wait for anyone from Jennings' organization to call you. Just start on your own. Ask the people in your church, in your Lions Club, who work with you in a factory, who mine coal with you, who have respect for you, who may not be very interested in politics, to join in helping to help West Virginia and to help the United States by keeping there in the Senate a great leader who has genuinely earned the admiration and appreciation of our country—my good, personal friend, Jennings Randolph, your Senator now and years to come.

NOTE: The President spoke at 2:15 p.m. in the West Virginia Room at the Charleston Civic Center.

## Charleston, West Virginia

**Remarks Announcing the Establishment of the President's Commission on the Coal Industry. May 26, 1978**

*My good friend Senator Jennings Randolph, Governor and Mrs. Jay Rockefeller, Congressman Slack, Mayor and Mrs. Hutchinson, Ed Wiles, Governor*

*Bob Scott, and President Arnold Miller, other friends of mine who are interested in the present circumstances and the future of West Virginia:*

I started my day in Du Page County, a suburb of Chicago, and I flew down to Springfield to have several meetings, one of which was to address the legislature of the State of Illinois. I talked to them about the proper relationship between government and people and where the strengths lie and the need for trust and an appreciation of the challenges of public service in a rapidly changing, modern technological world.

I'm deeply concerned about your State and deeply hopeful that this meeting today will lead to that bright future in the distance which Jennings Randolph has so eloquently described.

It's great to be here and to see just where Superblock<sup>1</sup> is going to be. It's my second visit. I wish I'd been here last night to hear Willie Nelson play. He's one of my favorite musicians. We've invited him to come and play at the White House in September, when we're having the stock car race drivers as our guests. They will be personal guests of mine and Rosalynn. The taxpayers won't pay for that, of course. [Laughter]

I think it's important for someone in my position, as is greatly illustrated by these great men behind me, to stay in close touch with the thinking and the hopes and dreams and fears and concerns of American people who have to work for a living and who share with us the prospect for the future of our country.

I'm glad that the Economic Development Administration was able to announce a \$5 million grant this week for this convention center complex, which I

<sup>1</sup> Proposed \$41 million addition to the Charleston Civic Center.

understand will include a 12,500 seat multipurpose arena, a parking area, and a new lobby connected to this building. I wonder if anybody in the room can guess who started the Economic Development Administration? That's right, Jennings Randolph.

We rode in on an interstate highway. I wonder if anybody can guess who had the original idea for the Interstate Highway System? Jennings Randolph.

And this is the kind of leadership I think that will be pushed forward today. Superblock is a fine example of a proper working partnership between the Federal, State, and local levels of government and the private sector in our great free enterprise system. And I think it's a good example of what can be done to revitalize the urban areas of our Nation. Senator Randolph, Congressman John Slack have worked hard to make this joint development possible. And they, along with local officials and State officials, are providing stimulus for Charleston's economy.

When I spoke to the Nation a year and 1 month ago, I called energy the most serious, continuing challenge that will face our Nation in our lifetimes. I will leave here and go back to Washington, and without delay when I get there, I'll be meeting tonight with the President of France, Gisard d'Estaing. I'll be getting a report from my National Security Adviser, Zbigniew Brzezinski, who's just returned from several days consultation with the leaders of the People's Republic of China. Tomorrow morning, if our present plans go through, I'll be meeting with the Foreign Minister of the Soviet Union, Andre Gromyko, to talk about some means by which our two great nations, who are in competition, can live in peace and so that we might, through a SALT agreement, eliminate the threat of nuclear

destruction that faces us all if we are not successful.

So, there is no incompatibility between speaking in Springfield about government leadership, meeting here with you about our energy problem, discussing with one of our major allies the strength of NATO, and trying to discuss the future peace in the entire world. These kinds of subjects all have equal importance to those of us charged with shaping the future of the United States.

Energy is inexorably linked to our own prosperity at home and also to our security as a nation in the entire world, both of which are imperiled by our great and growing thirst for foreign oil.

Last year, out of the pockets of American working people, there was taken \$45 billion which was spent to purchase oil from foreign countries. We now import about half of all the oil we use. Last April, to dramatize the seriousness of this challenge, I compared it to war, and in this war, the most formidable defense weapon in our arsenal is coal.

West Virginia alone could supply all the energy needs of our entire country for more than a generation. And Appalachian coal fired the furnaces that made this Nation a great industrial power. It fueled the engines that first connected from sea to sea the people who live in the great land area of the United States.

It provides still much of our industrial and electrical power, as you well know. And ultimately, we will learn to harness the energy of the Sun and the oceans with fusion power to meet our energy needs. But for now, we have no choice but to continue to rely heavily on fossil fuels, and coal is our most abundant fossil fuel. Appalachian coal will be crucial for the remainder of this century and beyond.

In 1975, nearly 400 million tons of coal were produced in the Appalachian hills and mountains—nearly two-thirds of the Nation's total production. And of that amount, northern Appalachia, including West Virginia, produced almost 180 million tons. That production must increase as more and more of our energy-using equipment is modified from petroleum consumption to the use of coal.

West Virginia coal is high quality. Your metallurgical coal is the finest in the world. I know you are experiencing cut-backs at the present moment because of slow steel imports and markets. And I want you to know that Bob Strauss is trying to build up American production of steel. He's our Special Trade Representative, an Ambassador, and he's working on this problem right now.

As we convert to coal, we must assure that the supply is sure and steady, because those who use it must be able to depend upon it. We must solve the underlying problems that have troubled the coal industry for generations.

To that end, I'm announcing today in this meeting the creation of the President's Commission on the Coal Industry.

Your own Governor, Jay Rockefeller, has agreed to be the Chairman of this five-man Commission. He's a man who has intense interest in coal production, and he has the confidence both of the miners and the operators, and I believe that he will do a great job with the other members representing the public, who will be former Secretary of Labor Willard Wirtz, whose experience in labor-management problems goes back to his membership on the War Labor Board during World War II, and Dewey Presley, a distinguished business leader from Texas. I also will appoint a member to represent labor, who has not yet been chosen, and one to represent the coal operators—five people.

In addition to these five members who will vote, nonvoting members will include the Secretary of Labor and Secretary of Energy, and three each from the House and the Senate.

The Commission will produce for the first time a comprehensive review of the coal industry in the United States. Its work will focus on five general areas:

First, the general economic health of the coal industry, including productivity and capital investment now and in the future.

Second, labor-management relations in the coal fields, including collective bargaining, grievance procedures, and such other aspects as the Commission deems appropriate. Most often, when labor and management sit down together, it's in a time of tension or dispute as the details of future contracts are negotiated. But we want this Commission to be able to provide a forum of exchange of ideas, hopefully in a friendly way, but certainly a frank way on how the industry can be strengthened and how the well-being of miners and producers both can be improved and let our Nation benefit in the process.

The third major element of this analysis will be the health, safety, and living conditions in the coal fields and the coal-producing areas of our country.

And fourth, the development and application of new technologies using coal.

And fifth, the impact on the coal industry of Federal regulations.

That's a major assignment, as you can see. The Executive order setting up the Commission, which I signed between here and Springfield, Illinois, calls for a final report to be made to me and the public not later than 1 year after the first meeting.

The order also authorizes the Commission to sponsor a White House Conference on the future of the coal industry,

bringing in representatives—before the final report is made—of all viewpoints to help find solutions to existing and potential problems.

The five members, of course, who vote will have available to them advice and counsel from many people throughout the country. But before we have a final report to go to the Nation, to the Congress and to me and future Presidents, I want to make sure at the White House that we have a large group of people come together to say, this is what we can do to strengthen the coal industry in the years ahead.

I come from flat country, as you might imagine from the name of my hometown, which is Plains. Our people in south Georgia have a lot in common with the people of West Virginia. But the land is about as different as it could possibly be. I've heard it said that if you ironed out West Virginia, it would be the biggest State in the Nation. I'm not sure about that, but I do know that around Plains our livelihood has depended upon the top 4 or 5 inches of land. The topsoil either made us or broke us.

Here in West Virginia it's long been known that what was under your land was the key to your prosperity and sometimes the cause of your problems. We abused the land in the Deep South for a long time, overworking it, not putting back into it what we took out; we let it wash away and blow away.

For a long time the hills of West Virginia were abused also. Your creeks and your rivers were polluted, your land was scarred and left raw, and too many of those who dug the wealth from under the ground were left poor and sick after their labors were completed.

In recent years we've learned how to stop this devastation, learned how to restore the hills as we have extracted their

wealth, learned how to make life safer and more prosperous for those who bring it out of the earth.

The land and the people of Appalachia have sacrificed much to make your great past contributions to our national development. And I'm determined that in the future this land and its people will share in the benefits of meeting our Nation's needs.

When I announced the national energy plan, I promised that increasing production of West Virginia coal would not come at the expense of the environment, the health, or the safety of the people of West Virginia.

With the help of Jennings Randolph and Senator Gary Hart from Colorado, we are developing proposals for a 5-year program of impact assistance to help offset some of the social and economic costs of increasing coal production.

Nationwide this program would provide \$675 million in grants and will put up to \$75 million to guarantee \$1½ billion in loans.

Governor Rockefeller, Senator Randolph, Senator Byrd, Congressman Staggers, and others have been of immeasurable assistance in developing this program. West Virginia has indeed been fortunate to have leaders like these—John Slack and others—represent your interest.

In mountainous country like yours there are extra costs and extra difficulties in building houses, in building roads, waterlines, sewers. These problems are not new, but they make coping with a rapid influx of people—when you develop a new coal field, for instance—even harder and more expensive than growth would be in a flat country.

In meeting your special needs, local and State governments must do their share. But this time the Federal Government will help.

I'm also committed to fair and firm enforcement of a new Federal strip mine law. West Virginia is already doing an excellent job in reviewing mined areas.

We must meet our clean air requirements so that greater use of coal doesn't endanger public health or environmental quality. And we need to meet these goals without giving undue advantage to the coal from one region over the coal from another.

To aid in this process, we must work to ensure that we develop technologies not just to burn coal as it is when it comes from the ground but also to convert that coal to synthetic liquids, gases, and solids that will meet future needs for clean-burning fuels.

West Virginia has been a leader in technological development in this area and will continue to lead as we move toward private sector commercialization of synthetics derived from coal.

Just recently, I intensified our own efforts to bring these technologies on stream through a series of design studies which may lead to construction of a joint government-industry coal liquids demonstration plant here in West Virginia.

The Federal Government should not shoulder the entire burden of developing these technologies. However, working together, we can create the right climate through joint ventures, loan guarantees, proper tariff treatment to help speed private sector development in partnership with the government.

The Nation will need synthetics from coal to meet our future energy needs, and West Virginia will play an important part in supplying both the coal and the technology to make this hope and expectation a reality.

The Congress passed, as Governor Rockefeller mentioned, and I have signed into law new black lung legislation, broadening the benefits and putting them on a

sound financial footing. We also transferred the Mine Health and Safety Administration from the Interior Department to the Labor Department.

Despite all the progress, though, coal mining is still one of the dirtiest and most dangerous jobs on Earth. Operating a mine has often been financially precarious, subject to fast-changing demand and an unforeseeable or unpredictable future.

All of this has left scars that are slow to heal on West Virginia's lovely countryside and also on its people. But the healing process has begun. And I'm determined that the rising demand for coal to meet our Nation's energy needs will not leave scars on your land or on the proud and independent people of West Virginia.

Thank you very much. We are partners together.

NOTE: The President spoke at 2:45 p.m. in the Little Theater at the Charleston Civic Center. In his remarks he referred to Ed Wiles, executive director of the West Virginia Coal Association, Robert Scott, Chairman of the Appalachian Regional Commission, and Arnold Miller, president of the United Mine Workers.

## President's Commission on the Coal Industry

*Executive Order 12062. May 26, 1978*

By the authority vested in me as President by the Constitution of the United States of America, and in order to establish, pursuant to the provisions of the Federal Advisory Committee Act (5 U.S.C. App. I), a balanced forum to review the state of the Nation's coal industry, it is hereby ordered as follows:

### 1-1. *Establishment and Membership.*

1-101. There is hereby established the President's Commission on the Coal Industry.

1-102. The membership of the Commission shall be as follows:

(a) Five members shall be appointed by the President. One shall represent the interests of labor, one shall represent management and three shall represent the general public. The labor and management representatives shall be chosen from among candidates recommended by the United Mine Workers of America and the Bituminous Coal Operators Association of America, but shall not be members of these organizations. The President shall designate one of the members representing the general public to chair the Commission.

(b) The President of the Senate and the Speaker of the House of Representatives may designate three members of their respective Houses to serve as non-voting members of the Commission.

(c) The Secretary of Labor and the Secretary of Energy or their designees shall also serve as non-voting members of the Commission.

#### 1-2. *Functions.*

1-201. The Commission shall conduct a comprehensive review of the state of the coal industry in the United States with particular emphasis on matters pertaining to productivity, capital investment, and the general economic health of the industry; collective bargaining, grievance procedures, and such other aspects of labor-management relations as the Commission deems appropriate; health, safety and living conditions in the Nation's coal fields; the development and application of new technologies to the industry; the impact on the coal industry of Federal regulations; and such other matters as the Commission deems appropriate.

1-202. The five members appointed by the President shall prepare and transmit a final report of their findings and recommendations to the President, the Secretary of Labor and the Secretary of Energy.

1-203. To assist the Commission in the exercise of its functions, the Commission may sponsor a White House Conference on the future of the coal industry.

#### 1-3. *Administration.*

1-301. To the extent authorized by law, the General Services Administration shall provide the Commission with all necessary administrative services, facilities and support on a reimbursable basis.

1-302. The Department of Labor and the Department of Energy shall, to the extent permitted by law and subject to the availability of funds, provide the Commission with such information, advice, services and funds as may be necessary for the effective performance of its functions.

1-303. Each member of the Commission who is not otherwise employed in the Government may receive compensation at the rate now or hereafter prescribed by law for GS-15 of the General Schedule for each day such member is engaged in the work of the Commission. Each member may also receive travel expenses, including per diem in lieu of subsistence (5 U.S.C. 5702 and 5703).

1-304. The functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I) which are applicable to the Commission, except that of reporting annually to the Congress, shall be performed by the Administrator of General Services.

#### 1-4. *Final Report and Termination.*

1-401. The final report required by Section 1-202 of this Order shall be transmitted not later than one year from the

date of the first meeting of the Commission.

1-402. The Commission shall terminate thirty days after submission of its final report.

JIMMY CARTER

The White House,  
May 26, 1978.

[Filed with the Office of the Federal Register,  
12:06 p.m., May 30, 1978]

## United States Ambassador to Denmark

*Nomination of Warren D. Manshel.*  
*May 26, 1978*

The President today announced that he will nominate Warren D. Manshel, of New York City, to be Ambassador Extraordinary and Plenipotentiary of the United States to Denmark. He would replace John G. Dean, resigned.

Manshel was born January 6, 1924, in Berlin, Germany, and became a U.S. citizen in 1944. He received a B.A. and M.A. (1949) and Ph. D. (1952) from Harvard University. He served in the U.S. Army from 1943 to 1946.

Manshel was a teaching fellow at Harvard from 1948 to 1952 and an analyst for the Central Intelligence Agency from 1952 to 1954. In 1954 and 1955, he was deputy director of the Congress for Cultural Freedom in Paris.

From 1955 to 1977, Manshel was with Coleman and Co., a member of the New York Stock Exchange, serving as associate, then partner, then consultant. Since 1965 he has been publisher of the Public Interest magazine, and since 1970 he has been editor and publisher of Foreign Policy magazine.

## Meeting With President Valéry Giscard d'Estaing of France

*White House Statement. May 26, 1978*

President Carter hosted a dinner this evening for President Giscard d'Estaing, the Minister of Foreign Affairs, and high officials accompanying him. This was the French President's first visit to the White House in the Carter administration. The two Presidents last met in Paris in January.

During this informal dinner, President Giscard d'Estaing outlined the proposals he made this week at the U.N. Special Session on Disarmament. The two Presidents also discussed a wide range of international issues affecting their two countries, including East-West relations, the forthcoming seven-nation summit in Bonn this July, and the Middle East. They expressed their common concern about recent developments in Africa and agreed that concerted action with the African countries is necessary to promote security and development in that continent.

Both Presidents welcomed this chance to renew their friendship. The talks were conducted in an atmosphere of personal warmth and mutual understanding. They also reaffirmed the close ties between France and the United States, which this year are celebrating the 200th anniversary of their alliance.

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and an-



*Administration of Jimmy Carter, 1978*

nouncements printed elsewhere in the issue are not included.

*May 20*

The President met at the White House with David L. Aaron, Deputy Assistant for National Security Affairs.

The President and Mrs. Carter and their daughter, Amy, greeted second grade students from the Abraham Lincoln School in Bangor, Maine, in the Rose Garden at the White House. The President had extended an invitation for their visit during his appearance before a Bangor town meeting held February 17.

*May 21*

During his visit to Plains, Ga., the President attended the wedding and reception of his niece Jana Kae Carter at the home of his brother, Billy.

*May 22*

The President returned to the White House following his trip to Georgia and Tennessee.

*May 23*

The President met at the White House with:

- Mr. Aaron;
- Senator Adlai E. Stevenson of Illinois and Representative Don Fuqua of Florida;
- Members of the Senate to discuss foreign policy;
- Adm. Stansfield Turner, Director of Central Intelligence, Hamilton Jordan, Assistant to the President and Mr. Aaron;

The President attended a fiscal year 1980 Federal budget issues meeting in the Cabinet Room at the White House.

*May 24*

The President met at the White House with:

- Mr. Aaron;

- Frank B. Moore, Assistant to the President for Congressional Liaison;
- Secretary of Housing and Urban Development Patricia Roberts Harris and Representative Cardiss Collins of Illinois.

The President attended a fiscal year 1980 Federal budget issues meeting in the Cabinet Room at the White House.

The President met in the Rose Garden with Senator Howard W. Cannon of Nevada and a group of Dutch citizens who, as resistance fighters during World War II, aided American airmen whose planes were downed over Holland. Also present were several of the former airmen.

The President has designated Representative Lucien N. Nedzi of Michigan as his representative at the Poznan International Technical Fair, to be held June 11–20 in Poland.

*May 25*

The President met at the White House with:

- Mr. Aaron;
- members of the Cabinet, who were attending a briefing on the fiscal year 1980 Federal budget;
- Mr. Moore;
- Hess Dyas, Democratic candidate for Congress from Nebraska;
- a group of State Democratic Party chairmen.

While in Chicago, the President attended a reception at the Blackstone Hotel for Alex Seith, Democratic candidate for the U.S. Senate from Illinois.

*May 26*

The President returned to the White House following his trip to Illinois and West Virginia.

The President transmitted to the Congress the 1978 Employment and Training

Report of the President, prepared by the Secretary of Labor, which is required by the Comprehensive Employment and Training Act.

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#### **NOMINATIONS SUBMITTED TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

##### **Submitted May 25, 1978**

The following-named persons to be members of the Federal Mine Safety and Health Review Commission for the terms indicated:

*For a term of 4 years*

MARIAN PEARLMAN NEASE, of Maryland

*For a term of 6 years*

FRANK F. JESTRAB, of North Dakota

A. E. LAWSON, of Pennsylvania

ROBERT PITOFSKY, of Maryland, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1975, vice Calvin Joseph Collier, resigned.

##### **Withdrawn May 25, 1978**

LEN J. PALETTA, of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania, which was sent to the Senate on April 7, 1978.

##### **Submitted May 26, 1978**

WARREN DEMIAN MANSHEL, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark.

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#### **CHECKLIST OF WHITE HOUSE PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

##### **Released May 20, 1978**

Fact sheet: Federal cash management procedures

##### **Released May 23, 1978**

Announcement: Private Sector Initiative program

#### **CHECKLIST—Continued**

##### **Released May 23—Continued**

Announcement: draft legislation to establish the Neighborhood Self-Help program and the Livable Cities program, parts of the President's urban policy package, transmitted to the Congress by Secretary of Housing and Urban Development Patricia Roberts Harris

##### **Released May 25, 1978**

Announcement: draft legislation to establish the Labor Intensive Public Works program, a part of the President's urban policy package, transmitted to the Congress by Secretary of Commerce Juanita M. Kreps

##### **Released May 26, 1978**

Advance text: address before a joint session of the Illinois State Legislature

Fact sheet: proposed State Community Conservation and Development Act of 1978

Advance text: remarks announcing the establishment of the President's Commission on the Coal Industry

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#### **ACTS APPROVED BY THE PRESIDENT**

##### **Approved May 21, 1978**

H.R. 8331----- Public Law 95-283  
Securities Investor Protection Act Amendments of 1978.

H.J. Res. 873----- Public Law 95-284  
A joint resolution making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978, and for other purposes.

##### **Approved May 25, 1978**

S. 1568----- Public Law 95-285  
An act to name the lake located behind Lower Monumental Lock and Dam, Washington, "Lake Herbert G. West".

##### **Approved May 26, 1978**

H.R. 10392----- Public Law 95-286  
An act to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship.

# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, June 2, 1978

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## Hubert H. Humphrey Fellowship in Social and Political Thought

*Statement on Signing H.R. 10392 Into  
Law. May 30, 1978*

I am pleased to sign into law a bill which, in a unique way, will keep alive the courageous vision of Hubert Humphrey, not only in our Nation's Capital but throughout the world.

It is fitting that the University of Minnesota should have already taken the lead in establishing the Hubert H. Humphrey School of Public Affairs, an institution that will benefit and inspire younger Americans for many generations to come with Senator Humphrey's vision of compassionate government for this Republic.

This bill has a different purpose. It creates a *living* memorial right here in Washington. Instead of erecting yet another granite or marble edifice, the Congress has seen fit to establish a fellowship which will be awarded each year to a different person—from this Nation or from abroad—who best symbolizes the Humphrey vision, who will be honored not only for achievement in social and political thought but who will, through dedication to the process of free inquiry, contribute

in Washington to our national debate on the issues confronting us.

It is right that the Woodrow Wilson International Center for Scholars should be the home for the Humphrey fellowship and lectures, since Hubert Humphrey was the founding Chairman of its Board of Trustees.

It gives me great pleasure to establish the Hubert H. Humphrey Fellowship at the Woodrow Wilson International Center for Scholars. I am convinced the Humphrey fellows and lecturers will pass on the legacy of Hubert Humphrey to future times.

NOTE: As enacted, H.R. 10392 is Public Law 95-286, approved May 26.

## North Atlantic Alliance Summit

*Remarks at the Opening Ceremonies.  
May 30, 1978*

*Mr. President, Mr. Secretary General, Excellencies, members of the Council, and distinguished guests:*

On behalf of the people of the United States, I welcome here today our closest friends and allies, the leaders of the North Atlantic Alliance.

Twenty-nine years ago, at an uncertain time for world peace, President Truman spoke these words on signing the North Atlantic Treaty, and I quote from him: "In this pact, we hope to create a shield against aggression . . . a bulwark which will permit us to get on with the real business of government and society, the business of achieving a fuller and a happier life for all our citizens."

The alliance born that day in April 1949 has helped preserve our mutual security for nearly 30 years, almost a decade longer than the time between the two great wars of this century. History records no other alliance that has successfully brought together so many different nations for so long without the firing of a single shot in anger.

Ours is a defensive alliance. No nation need fear aggression from us, but neither should any nation ever doubt our will to deter and to defeat aggression against us. The North Atlantic Alliance is a union of peoples moved by a desire to secure a safe future for our children in liberty and freedom. Our Alliance is unique, because each of us 15 democratic nations shares a common heritage of human values, the rule of law, and faith in the courage and spirit of free men and women.

The military strength and the common political purpose of the North Atlantic Alliance has led us to cooperate in a thousand individual efforts, rightly conferring upon us the name of "community." And it has given us the self-confidence and strength of will to seek improved relations with our potential adversaries.

As an American I am proud that the commitment of the United States to the security, independence, and prosperity of Europe is as strong as ever. We are part of you, and you are part of us. The mu-

tual pledges of trust we exchanged here in 1949 still hold firm and true.

During the next 2 days we will reaffirm our commitment to the Alliance, to its strategy and doctrine, and to each other. We will review a year-long effort to assess East-West relations as they exist now and as they may develop in the future. We will review our cooperation in defense procurement. And through a broad program of defense cooperation, we will seek to reinforce our individual efforts to guarantee our security against aggression for many years ahead.

We must be aware of the new challenges that we face individually and collectively, which require new efforts of us all.

The Soviet Union and other Warsaw Pact countries pose a military threat to our Alliance which far exceeds their legitimate security needs. For more than a decade the military power of the Soviet Union has steadily expanded, and it has grown consistently more sophisticated. In significant areas the military lead we once enjoyed has been reduced.

Today we can meet that military challenge, but we cannot be sure of countering the future military threat unless our Alliance modernizes its forces and adds additional military power. In this effort the United States will play its part across the spectrum of conventional, theater nuclear, and strategic nuclear forces. I'm gratified that America's allies are joining with us in building up their military might.

In the past year the United States has increased substantially its conventional combat strength in Europe and is enhancing its capability for rapid deployment of additional forces to that continent. United States theater nuclear forces are

being modernized, and the United States will maintain strategic nuclear equivalence with the Soviet Union.

Our Alliance centers on Europe, but our vigilance cannot be limited just to that continent. In recent years expanding Soviet power has increasingly penetrated beyond the North Atlantic area.

As I speak today, the activities of the Soviet Union and Cuba in Africa are preventing individual nations from determining their own future. As members of the world's greatest alliance, we cannot be indifferent to these events because of what they mean for Africa and because of their effect on the long-term interests of the Alliance itself.

I welcome the efforts of individual NATO Allies to work for peace in Africa and to support nations and people in need, most recently in Zaire.

Our Alliance has never been an end in itself. It is a way to promote stability and peace in Europe and, indeed, peace in the world at large.

Our strength has made possible the pursuit of détente and agreements to limit arms, while increasing the security of the Alliance. Defense in Europe, East-West détente, and global diplomacy all go hand in hand. Never before has a defensive alliance devoted so much effort to negotiate limitations and reductions in armaments with its potential adversaries. Our record has no equal in the search for effective arms control agreements.

The United States continues to move forward in its negotiations with the Soviet Union on a new agreement to limit and reduce strategic nuclear weapons. Our objective is to preserve and advance the security of all the members of our Alliance. We will continue to consult and to work closely with our allies to ensure that arms control efforts serve our common needs.

NATO Allies are also working for the mutual and balanced reduction of forces in Europe to provide greater security for all European peoples at lower levels of armaments, lower tensions, and at lower costs. The Allies have recently made a new proposal to the Warsaw Pact, and we call upon those nations to respond in the positive spirit in which our offer was made.

Our efforts to reduce weapons and forces in both these negotiations are guided by the need for equivalence and balance in the military capabilities of the East and West. That is the only enduring basis for promoting security and peace.

The challenges we face as allies do not end here. Economic changes within our countries and throughout the world have increased our dependence upon one another and complicated our efforts to promote economic and social welfare for our people.

Social changes generated partly by economic and political progress will require creative thought and effort by each of our nations. Our Alliance derives additional strength through our shared goals and experiences.

Finally, we face the challenge of promoting the human values and human rights that are the final purpose and meaning of our Alliance. The task is not easy—the way to liberty has never been—but our nations preeminently comprise the region of the world where freedom finds its most hospitable environment.

As we seek to build détente, therefore, we must continue to seek full implementation by Warsaw Pact countries as well as our own of the Helsinki accords on security and cooperation in Europe that was signed 3 years ago.

If we continue to build on the fundamental strength of the North Atlantic Alliance, I am confident that we can meet any challenge in the years ahead. In the future, as in the past, the Government and people of the United States will remain steadfast to our commitment to peace and freedom that all of us as allies share together.

Thank you very much.

NOTE: The President spoke at 9:35 a.m. in the Concert Hall at the John F. Kennedy Center for the Performing Arts. In his opening remarks, he referred to Prime Minister Bulent Ecevit of Turkey and NATO Secretary General Joseph M. A. H. Luns.

Later in the day, the President attended the opening and afternoon sessions of the summit meeting at the State Department and hosted a luncheon at the White House for heads of delegation.

## North Atlantic Alliance Summit

*Statement on Signing a Congressional Joint Resolution Reaffirming the Unity of the Alliance Commitment. May 30, 1978*

This NATO Summit meeting is, as the resolution states, the "capstone of efforts to ensure that the needs of collective security will be met over the next decade." For almost 30 years, NATO has "preserved the peace . . . allowing its members to attain unprecedented levels of prosperity and well-being for their people."

We look forward to meeting the challenges of the future, confident of our Alliance and sure of our people's support for it. This resolution reaffirms that NATO will continue to enjoy the broad, bipartisan backing from Congress that it has always had. This administration will join with the Congress—in the words of the resolution—"to reaffirm the unity of the North Atlantic Alliance, to strength-

en its defensive capabilities to meet threats to the peace, and on this basis to persevere in attempts to lessen tensions with the Warsaw Pact States."

NOTE: The President signed the joint resolution in a ceremony in the Thomas Jefferson Room at the State Department prior to the taking of the formal portrait of the NATO chiefs of delegation.

As enacted, S.J. Res. 137 is Public Law 95-287, approved May 30.

## Flag Day and National Flag Week, 1978

*Proclamation 4573. May 30, 1978*

*By the President of the United States of America*

### A Proclamation

The American flag has grown and changed with the Nation. But for two hundred years, the United States remained unchanged in its commitment to the ideals which gave birth to that flag.

To commemorate the anniversary of the adoption on June 14, 1777 by the Continental Congress of the Stars and Stripes as the official flag of the United States of America, the Congress has requested the President to issue a proclamation calling for the observance of the fourteenth day of June of each year as Flag Day and the week in which that day occurs as National Flag Week (36 U.S.C. 157 and 157a).

To encourage the American people to reflect upon their Nation, its heritage, and its course in the years ahead, the Congress, by joint resolution of June 13, 1975, has set aside the twenty-one days from Flag Day through Independence Day as a period to honor America (36 U.S.C. 157b).

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby call upon the American people to observe June 14, 1978 as Flag Day and the week beginning June 11, 1978 as National Flag Week. I direct the appropriate officials of the Government to display the flag on all Government buildings during that week and ask the American people to display our flag at their homes and other suitable places for the same period.

I also ask each American to observe the period from Flag Day through Independence Day as a period to honor America. To that end, I ask all Americans to participate in local activities that reflect an understanding and appreciation of America and its institutions.

IN WITNESS WHEREOF, I have hereunto set my hand this thirtieth day of May, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register, 12:04 p.m., May 30, 1978]

## Meeting With Chancellor Helmut Schmidt of the Federal Republic of Germany

*White House Statement. May 30, 1978*

President Carter and Chancellor Helmut Schmidt of the Federal Republic of Germany held a 1-hour working breakfast at the White House this morning to review major international issues. Chancellor Schmidt is in Washington as head of his country's delegation to the summit meeting of the North Atlantic Alliance.

The President and the Chancellor reaffirmed their firm commitment to

strengthening the deterrent ability of the North Atlantic Alliance on the basis of which they will continue efforts to improve East-West cooperation. The Chancellor gave the President an outline of his talks with Soviet President Brezhnev. They reviewed East-West relations generally and agreed to continue close consultations in this area.

President Carter outlined progress made to date on the negotiation of a SALT II agreement, emphasizing that the security interests of our NATO Allies will be covered in any agreement reached. The President and the Chancellor expressed the hope that the new Western initiative in the MBFR negotiations tabled last April will help to move those talks forward.

President Carter and Chancellor Schmidt also reviewed planning for the Economic Summit which will take place in Bonn on July 16 and 17. They agreed that the major world economic leaders must seek a coordinated, consistent approach to the problems of higher energy costs, high unemployment, inflation, depressed investment and payments imbalances. They agreed to strive for closer short- and medium-term coordination of economic policy and focus in depth on the long-term structural problems facing the world economy.

The President and the Chancellor welcomed this opportunity to exchange ideas personally on important issues and will continue their efforts, together with other countries, to synchronize approaches to common problems. Both looked forward especially to the President's forthcoming state visit to the Federal Republic and Berlin in mid-July, prior to the Economic Summit.

## North Atlantic Alliance Summit

*Toasts of the President and Turkish Prime Minister Bulent Ecevit at the Dinner Honoring the Heads of Delegation.  
May 30, 1978*

THE PRESIDENT. First of all, I'd like to say that we are delighted to have you here. This is our first dinner, or supper, in the Rose Garden, and it's worked out very well. This is kind of a test of NATO's influence with the weather. *[Laughter]*

I would like to say, too, before anyone gets the wrong impression about our military commitment and our strength, although these representatives of our military bands can play the violin very beautifully, they also know how to fight. So we are good, staunch allies there.

I've enjoyed very much being with our President this evening, Prime Minister Ecevit. I've learned a lot about politics from him. We have several very distinguished Members of the Congress here, and I called one over to meet him tonight, Senator Bob Morgan from North Carolina. And when he came over, Prime Minister Ecevit told him that he used to live in North Carolina and worked for the Winston-Salem newspaper, and he said, "I've even got Tar Heel cufflinks on." So he's taught me a great deal.

This is a wonderful occasion for us. Very seldom in the history of our Nation and very seldom in the history of the White House, which has been here since 1801—except for a brief interlude when some of Jim Callaghan's <sup>1</sup> people got here in 1812—*[laughter]*—have we had such a delightful and distinguished group of guests.

<sup>1</sup> Prime Minister of the United Kingdom.

As a matter of fact, you're not exactly guests, because you're partners of ours in one of the finest and most noble endeavors in the history of the United States of America. We are proud of our relationship. Yesterday was Memorial Day, and throughout our country we paused to recognize the tremendous contribution in past years of men and women who have given their lives and offered their lives in the defense of our Nation, what it stands for, our principles, our ideals. And it's a great reminder of what NATO has meant to us, too.

We know what can be the price of preserving precious ideals. We know the value of a partnership formed in a time of danger, a time of war. We know the value of strong and able and deeply committed allies. And this is what NATO means to us.

For 30 years now, almost 30 years, the strength of NATO has permitted democracy and freedom to flourish. And it's with a great gratitude and a sense of common commitment and common purpose that we've gathered here for these 2 days of deliberations.

This Alliance has guaranteed our own security here in the United States, and it's been of great value to us. It's one of the things that we cherish most highly. For us, therefore, it has been a matter of necessity to be a partner with you in the North American (Atlantic)<sup>2</sup> Alliance, and it's also been a fulfillment of what to us has been in the past, and still is, a moral obligation.

We learned, during two great wars in this century, some profound and unforgettable lessons: that through strength can come peace, and that in awareness of a common resolution among free men and women there can be a conviction of po-

<sup>2</sup> Printed in the transcript.



tential adversaries that is better for mutual respect and the preservation of peace.

We want a strong defense. We've assured that. We want a general commitment to peace and mutual disarmament. And both those elements of our desires can be guaranteed only through the accurate image of a capable and deep commitment to mutual strength.

I think the United States is particularly well qualified to be the host of NATO, the members of the North American (Atlantic) Alliance. We are not only your friends but we're your kinfolks, we're your relatives. Throughout our country there are tens of millions of people who look upon your countries as their second homeland. And it would be impressive to you if you could have shared the 2 years of campaign experience that I enjoyed around this Nation—or rather that I experienced around this Nation—[*laughter*]*—*to witness the deep sense of pride and a desire to protect the heritage that Americans share with their relatives in your own home countries. So, that, I think, qualifies us to be the host for this notable occasion.

In a few minutes we'll leave here and go down on the front lawn to witness again one of the great ballet performances available throughout the world. And the heritage of common beliefs, common ideals, and also common culture and enjoyment, is what we enjoy from the older countries in the European area. We feel that we share a common commitment to democracy, we share a common commitment to liberty, we share a common commitment to the rule of law. So, I would like to propose a toast on behalf of the people of the United States of America to the people whom you represent as our allies in Canada and in the European area, to the North American (Atlantic) Alli-

ance, the guardian of safety, the servant of freedom, and the instrument of peace.

THE PRIME MINISTER. Allow me, Mr. President, to say a few words as Honorary President.

I wish to thank you in the name of all my colleagues and my wife. I wish to thank you, Mr. President and Mrs. Carter, for being such nice hosts to us this evening in this family atmosphere which made us feel really in the heart of America. We have had a very interesting session, or rather, sessions today in the NATO Council meeting in the true spirit of democracy, where everything, every idea was expressed and criticized freely in the search for a better way of life.

The North Atlantic Treaty community consists of nations who are all attached to the ideal of democracy, who all have great respect for human freedom and for human rights. There may be problems within the Alliance; in fact, there are problems within the Alliance that we have spoken about today. There may even at times be differences between some members of the Alliance, as in fact there are to some extent today. But I think there is a bond that will survive all such differences in NATO, and that is the attachment of our peoples to democracy and to freedom.

We are living in a rapidly changing time. And for institutions to survive such change, they must also learn to change themselves. They must not only be able to adapt to change but be agents of change themselves. And democratic communities can do that particularly easily, because one important characteristic of democracy, in my mind, beyond its capacity for freedom, free thought, and free expression, is the propensity for self-criticism, for self-questioning.

It is through self-questioning and through constantly questioning one's ideas, one's concepts, that mankind may

make progress and has made progress, particularly in the way of science, and through such democratic self-criticism and self-questioning, that I'm sure we can find the best solutions to the North Atlantic Alliance as well.

NATO is a military organization. However, we are living in an age when battles are being given in nonmilitary areas as well, and through nonmilitary means as well. In our age, battles are mostly given for the minds of people, not with weapons, usually, but with ideas and ideologies. And I think the democratic countries are best equipped to such battles if they can use their merits well and in a conscious way, because democratic countries believe in the dignity of man and are based on respect and on belief for the creativity of man.

For this reason, that is, because of my conviction in the superiority of democracy and freedom, I also believe that NATO will survive all its problems and even in this rapidly changing world will still perform its functions.

I wish to thank you again, Mr. President, for being host to our meeting in Washington. And allow me to thank, also, the experienced and distinguished Secretary General, Mr. Luns, who has helped to make this meeting, our sessions today, very lively, by forcing us to enter into a democratic debate in many sensitive subjects. And I think they have been very useful debates.

I would like to ask your permission to wish you and Mrs. Carter and all your children and family every happiness. And I wish all my colleagues here, all our American friends, and all the peoples of the member countries of NATO, every happiness and success.

NOTE: The President spoke at 9:47 p.m. in the Rose Garden at the White House.

## Meeting With Prime Minister Bulent Ecevit of Turkey

*White House Statement. May 31, 1978*

President Carter and Turkish Prime Minister Ecevit had a useful and productive 1-hour meeting this morning which included a full discussion of key international and bilateral issues. The Turkish Prime Minister is in the United States heading his country's delegation to the NATO Summit, where he has also served as this year's Honorary President.

The President and Prime Minister noted the important place Turkey occupies in the NATO Alliance and stressed the Alliance's important contribution to the preservation of stability, peace, democracy, and human values. They also reviewed the urgent need for strengthening NATO's southern flank and for rebuilding United States-Turkish relations. President Carter assured Prime Minister Ecevit that he was determined to obtain congressional approval for the repealing of the remaining arms restrictions on Turkey. Prime Minister Ecevit in turn stressed the importance of the elimination of those restrictions for the revitalization of the United States-Turkish relations as well as for the common security interests of the Atlantic community.

President Carter and Prime Minister Ecevit reiterated that an early and equitable solution of the Cyprus problem was desirable in the interests of all parties concerned as well as for peace and stability in the region. Both expressed the hope that the discussions now taking place between the United Nations Secretary General and the representatives of the Cypriot communities would lead to early resumption of the intercommunal talks.

The Prime Minister reviewed the actions his government has taken over the

past several months in the economic field which has opened up prospects for the amelioration of external payments. Stressing the importance he attached to closer economic cooperation with the United States, he also emphasized the necessity of a sound and healthy economy, both for the maintenance of an efficient defense structure and the strengthening of democratic institutions. The President has shown full understanding in this respect.

Also present for the meeting were Gündüz Ökçün, Foreign Minister; Hasan Esat Işık, Defense Minister; Ambassador Sükrü Elekdağ, Secretary General of the Foreign Ministry; Melih Esenbel, Turkish Ambassador to the United States; Secretary of State Vance; and Dr. Brzezinski, Assistant to the President for National Security Affairs. Matthew Nimetz, Counselor of the State Department; George Vest, Assistant Secretary of State for European Affairs; and Paul Henze, NSC staff member, also took part in the meeting.

## Meeting With Prime Minister Giulio Andreotti of Italy

*White House Statement. May 31, 1978*

President Carter met this morning in the White House with Giulio Andreotti, President of the Council of Ministers of the Italian Republic. The two leaders had a useful discussion of certain world issues, Alliance questions, and recent developments in both countries. Also present were Foreign Minister Arnaldo Forlani, Italian Ambassador Paolo Pansa, Minister Umberto La Rocco, Secretary of State Cyrus Vance, Zbigniew Brzezinski, Assistant to the President for National Security Affairs, and Gregory Trevorton of the NSC staff.

The President and the Prime Minister reviewed the joint initiatives to enhance the relationship between Italy and the United States decided upon during the Prime Minister's visit to Washington in July 1977. A series of Cabinet-level visits has taken place in both directions over the last 10 months. New agreements have been reached in the areas of health, social security, exchange of language-teaching experts, scientific cooperation, and others. The two leaders expressed their satisfaction with progress achieved so far and indicated that programs to further strengthen bilateral relations will continue, in particular a renewed emphasis on the Bilateral Energy Working Group. Special attention was also given to the common problem of unemployment.

Prime Minister Andreotti described several recent encouraging developments in his government's efforts to bring to justice the murderers of Aldo Moro. The President expressed our sympathetic interest in the Italian antiterrorist efforts. President Carter pointed to the resilience with which Italian democratic institutions withstood the terrorist attack and to other encouraging recent events. He reaffirmed the confidence of the United States in Italy's ability to overcome present difficulties and continue to play its active role in the Western Alliance.

The two leaders will see each other at the summit meeting in Bonn in July.

## North Atlantic Alliance Summit

*Text of Remarks on NATO Defense Policy.  
May 31, 1978*

Thank you, Mr. Secretary General.

These briefings illustrate the magnitude of the challenges we face. They do not justify alarm, but they should strengthen our resolve.

When I took office 16 months ago, I reviewed the condition of U.S. defenses. I found them strong, although needing improvement. In particular, I concluded that the United States should give top priority to Europe, especially the conventional defenses needed in the initial stages of a conflict.

I reached this conclusion for two reasons. First, the Warsaw Pact countries, especially the Soviet Union, have steadily expanded and modernized their conventional forces beyond any legitimate requirement for defense. They are now able to attack with large armored forces more rapidly than we previously believed. Second, although U.S. nuclear forces remain strong and are fundamental to deterrence, the long-recognized role of conventional forces in deterrence of war is increasingly important.

As a result, I directed the Secretary of Defense to strengthen initial conventional defense capacity in Europe. Of course, such efforts would amount to little unless accompanied by improvements in the conventional capacity of our NATO Allies. European NATO countries, not the United States, provide the bulk of our military forces in Europe. Also, the competing demands of our free societies limit the portion of our resources we can use for defense. Therefore, we must coordinate our defense planning to make the best use of these limited resources.

From our discussions in London last year, I know that you share my view of the challenges we face. The answers we have developed together are impressive. We are all making significant, real increases in our defense budgets. We are strengthening our national forces—and we will do more. Finally, we have designed a bold Long-Term Defense Pro-

gram to pull together a more effective collective defense during the years ahead.

As we improve our conventional defenses, we must remember that the strength of our strategic and theater nuclear forces is also necessary for deterrence and defense. These forces are—and will be—fully adequate. Arms control can make deterrence more stable and perhaps less burdensome—but it will not, in the foreseeable future, eliminate the need for nuclear forces.

For years, the Alliance has relied principally on American strategic forces for deterring nuclear attack on Europe. This coupling of American strategic forces to Europe is critical, for it means that an attack on Europe would have the full consequences of an attack on the United States. Let there be no misunderstanding. The United States is prepared to use *all* the forces necessary for the defense of the NATO area.

As an alliance, we must continue to review our nuclear deterrence needs in light of developments in Soviet nuclear and conventional forces. As one result of the Long-Term Defense Program, the Nuclear Planning Group is examining in detail the modernizing of our theater nuclear forces, including the question of long-range nuclear systems. We need also to consider jointly the relation of long-range theater nuclear systems to arms control.

This will require considering the full scope of political and military issues, and being sure that we maintain the coupling of American strategic forces to the defense of Europe. As we examine this together, I assure you that the United States will protect the options before us as the SALT II negotiations move toward completion.

Let me now turn to conventional forces—the bulk of the Long-Term Defense Program. After all, our largest ex-

penditures are for conventional, not nuclear, forces.

We must prepare to fight more effectively together as an alliance. We must markedly improve our ability to work together on the battlefield. We should overcome unnecessary duplication in our national programs, thus buying more security for the same money.

That is what the Long-Term Defense Program is all about. It is an unprecedented attempt by NATO to look across a longer span of years than ever before. It seeks a more cooperative course, as the only sensible way to improve our defenses without unnecessary increases in defense spending. It lays out specific measures of Alliance cooperation. It is the blueprint we need, and we must carry it out vigorously.

Of course, each of us depends on legislative approval for particular programs and projects within the Long-Term Defense Program. Because we lead democracies, we cannot bind our people by fiat. We can, however, pledge to do what is necessary to secure this approval and make this program work.

The United States is already responding to many Long-Term Defense Program recommendations, particularly in the field of reinforcement. And the recommendations will receive the highest priority in our own national defense programming. In short, we will do our part in adapting or modifying U.S. programs to support the NATO Long-Term Defense Program. I am confident that you will take similar action.

Finally, I want to mention the one remaining unresolved aspect of the Long-Term Defense Program. Although the program calls for new and unprecedented Alliance cooperation, no procedures have yet been devised for ensuring that it is carried out. We must avoid bold programs heartily endorsed—then largely

ignored. The report before us directs the Secretary General to present for national review what changes are essential for vigorous followthrough.

Both the NATO Task Forces and we Americans have made several specific proposals to this end. For example, we favor explicitly recognizing NATO's new focus on logistics. One way is to create a new Assistant Secretary General for Logistics. We also favor clear assignment of responsibility for each program to one NATO body. Where appropriate, we would prefer a major NATO command. But I do not ask that you discuss our proposals today. Instead, I ask that all Alliance leaders here today to join me in calling for vigorous followthrough of the program.

In conclusion, let me state that we confront a unique opportunity to bring our national defense programs closer together. The result will be a more effective defense. The consequences will be greater security for our people. It is our responsibility not to let this opportunity pass.

NOTE: The President spoke at the morning session, which began at approximately 9:30 a.m. in the Loy Henderson Conference Room at the State Department.

Later in the day, the President attended a luncheon with the heads of delegation and the final session of the summit meeting, both held at the State Department.

## Meeting With President António dos Santos Ramalho Eanes of Portugal

*White House Statement. May 31, 1978*

President Carter and the President of the Republic of Portugal, General Eanes, met this noon to discuss a wide range of political, economic, and security issues in

which the two nations share an interest. Also present were Foreign Minister Sa Machado, Portuguese Ambassador The-mido, Dr. Brzezinski, George Vest, As-sistant Secretary of State for European Affairs, and Robert Hunter and Gregory Treverton of the National Security Coun-cil staff.

During the meeting the two Presidents reviewed developments in Africa, Euro-pean security, human rights, bilateral economic cooperation, and U.S. use of Lajes Air Base in the Azores.

President Eanes described Portugal's progress in consolidating its democracy and in promoting economic recovery since the two leaders last met a year ago in London. President Carter expressed his admiration for President Eanes' personal contribution to these accomplishments and assured him that Portugal can count on continued United States understand-ing and support.

With regard to Africa, both Presidents expressed their hope for greater progress toward social justice and majority rule, and President Carter praised the positive role that Portugal has played in its rela-tions with several African states. Presi-dent Eanes expressed strong support for President Carter's human rights policies and agreed on the need to continue stress-ing these basic values.

During their review of European secu-rity issues, President Eanes informed President Carter of progress made by Portugal in activating a NATO-committed Army brigade, and he expressed ap-preciation for the support the United States and other NATO Allies have given the brigade. Both Presidents looked to further cooperation within the Alliance.

President Eanes confirmed the desir-ability of an early renewal of U.S. rights to use the Lajes Air Base, and he reiter-

ated Portugal's assurances that it will not call into question the continued use of the base by the United States.

## United States Ambassador to Afghanistan

*Nomination of Adolph Dubs. May 31, 1978*

The President today announced that he will nominate Adolph Dubs, of Sumner, Md., to be Ambassador Extraordinary and Plenipotentiary of the United States to Afghanistan. He would replace Theo-dore L. Eliot, Jr., who is being assigned to the State Department as Inspector Gen-eral of the Foreign Service.

Dubs was born August 4, 1920, in Chi-cago. He received a B.A. from Beloit Col-lege in 1942. He served in the U.S. Navy from 1942 to 1946.

Dubs joined the Foreign Service in 1949 and was posted in Frankfurt, Mon-rovia, and Ottawa. From 1957 to 1959, he took Russian language training and area studies at the State Department and at Harvard. From 1959 to 1961, he was an international relations officer at the State Department.

From 1961 to 1963, Dubs was political officer in Moscow, and in 1963-64, he at-tended the National War College. From 1964 to 1968, he was chief of political sec-tion, then counselor of political affairs, in Belgrade.

In 1968 and 1969, Dubs was Acting Director of Soviet Union Affairs at the State Department, and from 1969 to 1971, he was Country Director for Soviet Union Affairs. In 1971-72, he attended the Sen-ior Seminar in Foreign Policy.

From 1972 to 1974, Dubs was Deputy Chief of Mission in Moscow. In 1974-75, he was diplomat in residence at South-

western at Memphis. Since 1975 he has been Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs.

## United States Ambassador to Ethiopia

*Nomination of Frederic L. Chapin.  
May 31, 1978*

The President announced today that he will nominate Frederic L. Chapin, of North Brunswick Township, N.J., to be Ambassador Extraordinary and Plenipotentiary of the United States to Ethiopia. He would replace Arthur W. Hummel, Jr., who resigned to take another post at the State Department.

Chapin was born July 13, 1929, in New York City. He received an A.B. from Harvard University in 1950.

From 1950 to 1952, Chapin was an economic officer with the Economic Cooperation Administration and Mutual Security Agency in Paris. From 1952 to 1956, he was economic officer in Vienna, and from 1956 to 1959, he was an international relations officer at the State Department.

Chapin was political-labor officer in Managua from 1959 to 1961, and chargé d'affaires, then deputy chief of mission, in Fort Lamy in 1961 and 1962. In 1962 and 1963, he was a foreign affairs officer, then officer in charge of political affairs, at the State Department.

From 1963 to 1965, Chapin was special assistant to the Under Secretary of State for Political Affairs. From 1965 to 1968, he was on detail to AID as Deputy Executive Secretary. In 1968 he was a foreign service inspector, and in 1968 and 1969, he was Country Director for Chile-Bolivia. In 1969 and 1970, he was State

Department coordinator of visits to Latin America by Gov. Nelson Rockefeller.

From 1970 to 1972, Chapin was Deputy Assistant Secretary for Management in the Bureau of Inter-American Affairs. Since 1972 he has been Consul General in São Paulo.

## United States Ambassador to the Republic of Korea

*Nomination of William H. Gleysteen, Jr.  
May 31, 1978*

The President today announced that he will nominate William H. Gleysteen, Jr., of Jenkintown, Pa., to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Korea. He would replace Richard L. Sneider, resigned.

Gleysteen was born May 8, 1926, in Peking, China, of American parents. He received a B.A. (1949) and M.A. (1951) from Yale University. He served in the U.S. Navy from 1944 to 1946.

Gleysteen joined the Foreign Service in 1951 and was posted in Taipei, Tokyo, and Hong Kong, and at the State Department. From 1966 to 1969, he was Deputy Director of the Office of United Nations Political Affairs at the State Department, and from 1969 to 1971, he was Director of the Office of Research-Analysis for East Asian and Pacific Affairs.

From 1971 to 1974, Gleysteen was Deputy Chief of Mission in Taipei. From 1974 to 1976, he was Deputy Assistant Secretary of State for East Asian and Pacific Affairs, and in 1976 and 1977, he was detailed to the National Security Council. Since 1977 he has been Deputy Assistant Secretary of State for East Asian and Pacific Affairs.

## Improving Government Regulations

*Statement by the President. May 31, 1978*

On March 23 I signed Executive Order 12044, creating a program to reform the regulatory process. We have now passed the first milestone in this effort.

Each executive agency that issues regulations has just published new procedures in the FEDERAL REGISTER, as well as lists of existing regulations proposed for “sunset” reviews.

These new procedures require that future regulations be written in plain English and be signed by the officials who issue them—and that they minimize the burden on the public.

Public comment on the new procedures and lists is due by late July, so that they can be revised in time to go into effect this fall.

I urge the public to give us its advice on whether the new procedures will do the job and whether we have selected the right targets for “sunset” review. We need public participation to make regulatory reform work.

NOTE: For a list indicating the dates of publication of agency proposals implementing Executive Order 12044, see page 24212 of the FEDERAL REGISTER of June 2, 1978.

## North Atlantic Alliance Summit

*Remarks Following the Conclusion of the Final Session. May 31, 1978*

I would like to say as the leader of the host government that it's been a gratifying experience to us to have the meeting of the NATO Alliance countries here in Washington. We've spent 2 days in what the more experienced leaders have said is

the most comprehensive and candid and productive discussion of any NATO conference to date.

The most vivid impression that I have is one of a well-acknowledged common purpose. The Alliance is obviously one of unity. It's one of complete dedication, and it is an alliance also that recognizes that 30 years of peace have been derived among 15 or so countries because we are mutually strong and mutually committed in a partnership based on common beliefs and ideals, common heritage, a common commitment to democracy, to freedom, and to the rule of law.

In addition to the maintenance of strength for common defense, we've also reconfirmed the fact that we want to have general peace with the Warsaw Pact countries, our potential adversaries, and that there is no incompatibility between the Special Session on Disarmament in New York, its purposes, and the purposes of the North Atlantic Alliance.

We believe that the most fruitful step toward general disarmament is an acknowledged strength among the NATO Allies. We considered three basic propositions. One was cooperation in the development and production of weapons, which can lead to a more balanced responsibility for this very important purpose, and also result in standardization of weapon components and systems, a much higher level of defense capability for a given expenditure of public funds.

Secondly, we completed the analysis of a year-long study of East-West relationships, political, economic, and military, which was an enlightening experience in its preparation, and I think it cemented a common understanding of the present and possible future interrelationships between the Warsaw Pact countries, their friends and other allies, and



also the NATO community, friends and allies.

The most important subject, possibly, was to define and to commit ourselves to a Long-Term Defense Program. This, again, was proposed after a year-long study by our defense ministers and their subordinates. There was a unanimous endorsement of this commitment extending over the next 15 years and acknowledgment that incremental improvements in our defense capability was not needed as the result of fear or trepidation or crisis or deep concern, but just was a reconfirmation of the necessity for a strong alliance to be mirrored in a common revitalization of the Alliance because of our mutual commitment to sustain its military strength.

We also resolved to follow through on these recommendations. Additionally, we discussed matters that are of concern to us all, the SALT negotiations, present and future prospects; the mutual and balanced force reduction talks, which are gaining momentum, we believe; general questions concerning the Mideast, Africa, the economy of our countries. We had a very good discussion, I believe, sometimes heated, concerning the southern flank of NATO, involving the United States, Greece, Turkey. I reconfirmed to the entire group the purpose of our own administration to remove the legal barriers to the supply of military equipment and weapons to Turkey, an action still to be considered by the Congress.

There was a strong statement to this effect by the entire Alliance. Greece expressed some predictable reservations, but there was a meeting of minds about the need to have harmony between Greece and Turkey and a strengthening of our southeastern flank of NATO.

And lastly, there was a sense of friendship, of shared history. We reconfirmed

our commitment to an alliance that's strong. And I think all of us see the future much more clearly than we did when this long, tedious, but productive study was initiated.

I feel much better about what NATO is, what it can be, and I think the potential frictions that arise among autonomous peoples, individualistic and proud, have been minimized. And I think every participating leader in diplomacy and defense and as executive leaders would share the assessment that I have just made.

It was a productive and constructive meeting, which will only result in an enhanced possibility for peace in the European theater, for our own country, and Canada, indeed for the entire world.

Thank you very much.

NOTE: The President spoke at 4:17 p.m. to reporters assembled in the Dean Acheson Room at the State Department.

## Meeting With Prime Minister Constantine Caramanlis of Greece

*White House Statement. May 31, 1978*

President Carter and Greek Prime Minister Caramanlis met today at the White House for 1 hour to discuss the entire range of issues regarding Greek-U.S. relations, the situation in the Eastern Mediterranean, and NATO. The meeting between the two leaders was warm and cordial with the President praising the restoration of democratic institutions in Greece under the Prime Minister's leadership.

The President emphasized the vital importance of maintaining peace in the Eastern Mediterranean. In this regard,

he stressed the conviction of the United States that disputes which exist in the area be settled through peaceful procedures. The President reiterated the determination of the United States to make a major effort to prevent any action which would disturb peace in the area. The President also expressed his dedication to strengthened ties with Greece, an old and important ally.

Although their assessment differed on certain points, the President and the Prime Minister agreed on the necessity of working together with a view to promoting peace and security in the Eastern Mediterranean.

Also present for the meeting were Georgios Rallis, Minister of Foreign Affairs; Petros Molyviatis, Director General of the Prime Minister's Political Office; John Tzounis, Director General, Foreign Office; Menelas Alexandrakis, Greek Ambassador to the United States; Vice President Walter F. Mondale; Warren Christopher, Deputy Secretary of State; David Aaron, Deputy Assistant to the President for National Security Affairs; Matthew Nimetz, Counselor of the State Department; George Vest, Assistant Secretary of State for European Affairs; and Paul Henze, National Security Council staff member.

## White House Fellows

### *Appointment of 15 Fellows for the 1978-79 Program. June 1, 1978*

The President today announced the appointments of the 1978-79 White House Fellows, the 14th group since the creation of the program.

The Fellows, who were chosen from among 2,026 applicants and screened by 11 regional panels, will begin their year of service with the Federal Government on

September 1. The President's Commission interviewed 32 national finalists before recommending the 15 persons to the President.

The 1978-79 White House Fellows are:

DAVID ROSS CALKINS, 29, of Cambridge, Mass., senior resident in the department of medicine at Beth Israel Hospital, Boston;

CAROLYN SUE CHIN, 30, of South Orange, N.J., marketing manager, American Telephone and Telegraph Co., Morristown;

NELSON G. DONG, 28, of San Francisco, attorney with the San Francisco firm of Morrison and Foerster;

FRANCIS J. HARVEY, 34, of Murrysville, Pa., fellow engineer, Westinghouse Electric Corp., Pittsburgh;

STEVEN RICHARD HILL, 30, of Tacoma, Wash., allocation manager, corporate raw material, Weyerhaeuser Co., Tacoma;

ISIAH LEGGETT, 32, of Silver Spring, Md., assistant dean and assistant professor of law at Howard University School of Law;

CHARLES ARTHUR MARTIN, 41, of Silver Spring, Md., editor in chief, Journal of Negro Education, Howard University;

JAMES JEROME PADILLA, 30, of Plymouth, Mich., position manager, fuel economy planning, Ford Motor Co.;

CRAIG S. RITCHEY, 33, of Palo Alto, Calif., vice president and partner, Blase, Valentine and Klein;

JOHN DAVID SAXON, 27, of Birmingham, Ala., attorney with Sirote, Permutt, Friend, Friedman, Hild and Apolinsky, P.A.;

TERESA M. SCHWARTZ, 34, of Washington, D.C., professor of law at George Washington University;

JAMES HENRY SCOTT, 35, of New York City, vice president of the Morgan Guaranty Trust Co. of New York;

JUDITH ANN SORUM, of Beltsville, Md., assistant dean for academic programs at the University of Maryland, College Park;

FERNANDO MANUEL TORRES-GIL, 29, of Alhambra, Calif., recruitment director for the Leonard Davis School of Gerontology and principal investigator, Andrus Gerontology Center, Los Angeles;

MICHAEL ORVAN WHEELER, 33, of Burke, Va., major, U.S. Air Force, Special Assistant to the Chief of Staff at Headquarters, U.S. Air Force, Washington, D.C.

The White House Fellowship program was established in 1964 to provide outstanding Americans with firsthand experience in the process of governing the Nation. It is open to U.S. citizens, early in their careers, from all occupations and professions. Employees of the Federal Government are not eligible, with the exception of career Armed Forces personnel.

In addition to their job assignments with the Vice President, members of the Cabinet, and with the White House staff, the Fellows participate in an education program that includes off-the-record discussions with top-level Government officials, journalists, and leaders from various other segments of private life.

Leadership, intellectual and professional ability, and a commitment to community and Nation are broad criteria employed in the selection process.

Applications for the 1979–80 program will be available in August 1978. Application forms and additional information on the program may be obtained by sending a postcard to the Director, President's Commission on White House Fellowships, Washington, D.C. 20415, or by calling (202) 653–6263.

## National Gallery of Art

*Remarks at Dedication Ceremonies for the East Building. June 1, 1978*

*Mr. Mellon, Bishop Walker, Mrs. Mondale, ladies and gentlemen:*

In the name of the people of the United States of America, and on their behalf, I accept for the Nation this East Building of the National Gallery of Art.

I accept it with a full heart, with gratitude to all who have had a hand in its creation, and with a sense of exhilaration

and joy that I know will be shared by the millions of people who will come here to look, to study, to contemplate, and to be moved and delighted and ennobled by what they find here.

This building is a gift of Paul Mellon, of his late sister, Ailsa Mellon Bruce, who's represented here by her grandchildren, and of the Andrew Mellon Foundation. We owe them thanks for the grandeur of their gift and for the modesty and grace with which it is given.

This building, too, is the product of many minds, of many hands, all intent on giving America their best. All have done so. I. M. Pei and his associates have given us an architectural masterpiece.

This great architect saw the unusual shape of the site not as an obstacle, but as an opportunity. And he has taken brilliant advantage of that opportunity. His design is sensitive to its surroundings. It is at once dignified and daring. It is monumental, yet without pomposity. And it reflects the human scale. It combines a reverence for the past with an eagerness for the future. It's worthy of the thousands of years of artistic creation that will be seen and studied under its roof.

J. Carter Brown, the Director of the National Gallery, has untiringly pursued the vision of a museum for people that would also be a center for art scholarship. Many others provided their skills and talents to this project, from the curators to the contractors, from the commissioned artists to the construction workers, who lovingly crafted each detail of the building, inside and out.

This beautiful building is an important addition to that unique repository of knowledge and culture, the Smithsonian Institution. Eight of its museums collect art, art that ranges from Vermeer to Pollock, from the sculpture of Henry Moore

to the carved implements of the Eskimo people. With the addition of this building, the scope and definition of displayed art are both broader and deeper than ever before. With the private museums of this city, they make Washington a place where we may enjoy the full range of the creations of the human hand and the human eye.

This building tells us something about ourselves, about the role of art in our lives, about the relations between public life and the life of art, and about the maturing of an American civilization.

The beauty of this East Building and its location at the fulcrum of the ceremonial avenue of our Federal City will ensure that it takes its place alongside the Capitol Building and the Memorials as an emblem of our national life.

As the Capitol symbolizes our belief in political democracy and civil freedom, the National Gallery symbolizes our belief in the freedom and the genius of the human mind which is manifested in art.

In an open society like our own, the relationship between government and the arts must necessarily be a delicate one. We have no ministry of culture in this country, and I hope we never will. We have no official art in this country, and I pray that we never will. No matter how democratic a government may be, no matter how responsive to the wishes of its people, it can never be government's role to define exactly what is good or true or beautiful. Instead, government must limit itself to nourishing the ground in which art and the love of art can grow. So, within those limits, there is much that government can do, and much that we are doing.

In the past year we've increased substantially our support of the National Endowments for the Arts and for the Humanities. And much of that increase has

come in the form of challenge grants, whereby government funds are matched with private donations.

Because we are committed to an open and flexible relationship, support for the arts and humanities flows through many different kinds of channels, leaving room for art and scholarship to develop naturally.

This Gallery, for example, is maintained at public expense, but it owes its existence to acts of private philanthropy. Moreover, acquisitions of works of art is financed entirely from private donations. It's equally significant that this building will serve both as a museum and as a center for art scholarship.

We have before us here in concrete, marble, and glass a tangible demonstration that excellence and access to a wide public are far from being contradictory. They are complementary. This building stands as a metaphor for what, at its best, the relationship between government and the arts can be.

When President Roosevelt dedicated the original National Gallery of Art on March 17, 1941, he said, "The dedication of this Gallery to a living past and to a greater and more richly living future is the measure of the earnestness of our intention that the freedom of the human spirit shall go on."

It did go on, and the building we dedicate today is a reaffirmation in this generation that human values, the expression of courage and love, in triumph over despair, will always endure.

NOTE: The President spoke at 2:13 p.m. outside the East Building. Prior to his remarks, John Walker, Episcopal Bishop of Washington, gave the invocation.

Following the ceremonies, the President toured the East Building.

## Strategic Arms Limitation Talks

*Remarks to Reporters. June 2, 1978*

THE PRESIDENT. I understand that on occasion there will be inadvertent inaccuracies in reporting of news. And this is part of our system and I don't condemn it; I live with it. But this morning there was an example that I think is serious enough to warrant a direct appearance before you by the President of the United States.

This story in the Washington Post, "White House Imposes Freeze on Strategic Arms Talks," is totally inaccurate. And before that story was published, the reporters were informed that the story was totally inaccurate. The editors decided to go ahead with it anyhow.

It damages our country, it damages my credibility, and I think it damages the prospect for a continuation of the basic policy of our Government, which has not changed since I came in office, that is, to proceed aggressively with SALT discussions, to conclude a treaty as early as possible and without delay because of political considerations, and to make sure that that treaty, when concluded, is in the best interests of our country.

This matter has never been discussed, even informally, among the three people in our Government responsible for SALT discussions—Paul Warnke, the head of ACDA, Secretary of State Cyrus Vance, or myself. We have never even discussed it, and I wanted to make it clear and on the record that this story is inaccurate, that our policy is unchanged. And this is the statement I wanted to make to you.

Q. Is it possible someone's trying to torpedo the negotiations?

THE PRESIDENT. Jody will respond in depth in just a few minutes to any questions that you might have.

Q. Can you tell us anything about your talks with Gromyko, were there any hopeful prospects?

THE PRESIDENT. Jody can answer that.

NOTE: The President spoke at 9:45 a.m. in the Oval Office at the White House. Jody Powell is Press Secretary to the President.

## James B. Allen

*Statement on the Death of the Senator From Alabama. June 2, 1978*

With the death of Senator James B. Allen of Alabama, the Senate has lost one of the great masters of parliamentary procedure in the long tradition of Southern Senators.

He was an honorable and indefatigable fighter for his beliefs and a man of great personal integrity. I extend my deepest sympathy to his family.

## United States Ambassador to Ecuador

*Nomination of Raymond E. González. June 2, 1978*

The President today announced that he will nominate Raymond E. González, of La Habra, Calif., to be Ambassador Extraordinary and Plenipotentiary of the United States to Ecuador. He would replace Richard J. Bloomfield, who has been transferred.

González was born December 24, 1924, in Pasadena, Calif. He received a B.A. from the University of Southern California in 1949 and an M.A. from the Fletcher School of Law and Diplomacy in 1950. He served in the U.S. Army from 1943 to 1946.

González joined the Foreign Service in 1951 and served in Guayaquil, Naples, Rome, and Brussels. In 1962 and 1963, he was an international economist at the State Department, and from 1963 to 1965, he was adviser to the U.S. Representative to the Council of the OAS. In 1965 and 1966, he attended the National War College.

González was political officer in San José from 1966 to 1970 and in Lima from 1970 to 1974. Since 1974 he has been Deputy Chief of Mission in Panama.

## United States Ambassador to Thailand

*Nomination of Morton I. Abramowitz.*  
*June 2, 1978*

The President today announced that he will nominate Morton I. Abramowitz, of Peabody, Mass., to be Ambassador Extraordinary and Plenipotentiary of the United States to Thailand. He would replace Charles S. Whitehouse, resigned.

Abramowitz was born January 20, 1933, in Lakewood, N.J. He received a B.A. from Stanford University in 1953 and an M.A. from Harvard University in 1955. He served in the U.S. Army in 1957.

Abramowitz was with the International Cooperation Administration from 1958 to 1960, and served as consular-economic officer in Taipei from 1960 to 1962. In 1962 and 1963, he took Chinese language and area training. From 1963 to 1966, he was political officer in Hong Kong.

From 1966 to 1968, Abramowitz was an international economist at the State Department, and from 1969 to 1971, he was special assistant in the Office of the Deputy Secretary of State. From 1971 to 1973, he was a foreign affairs analyst at

the State Department, and in 1973 and 1974, he was political adviser to CINCPAC. Since 1974 Abramowitz has been Deputy Assistant Secretary of Defense for International Affairs, on detail from the Foreign Service.

## Advisory Committee for Trade Negotiations

*Appointment of Three Members.*  
*June 2, 1978*

The President today announced the appointment of three persons as members of the Advisory Committee for Trade Negotiations for 2-year terms. They are:

FRANK T. CARY, chairman of the board and chief executive officer of International Business Machines Corp. in Armonk, N.Y.;

ABRAHAM FEINBERG, who was chairman of Kayser-Roth Corp. until his retirement in 1964;

BROOKS MCCORMICK, chairman of the board of International Harvester.

## Occupational Safety and Health Activities in the Federal Government

*Message to the Congress Transmitting a Report.* *June 2, 1978*

*To the Congress of the United States:*

I am transmitting to the Congress the annual report required by Section 19b of the Occupational Safety and Health Act of 1970, entitled "Occupational Safety and Health Activities in the Federal Government." The report summarizes the Government's programs for the protection of the safety and health of its employees during 1976, activities prior to the begin-

ning of my Administration, and was prepared by the Department of Labor.

The report indicates that not all agencies of the Federal Government have in the past fully followed guidelines set forth by the Department of Labor for workplace safety and health programs. This Administration is studying ways to improve the workplace safety and health efforts of all Federal agencies, including those programs that affect Federal employees. I intend that reports covering the years of this Administration will reflect significant progress in that regard.

JIMMY CARTER

The White House,  
June 2, 1978.

NOTE: The 13-page report is entitled "Occupational Safety & Health Activities in the Federal Government, the President's Annual Report to the Senate and House of Representatives."

## Trade With Hungary and Romania

*Message to the Congress. June 2, 1978*

*To the Congress of the United States:*

In accordance with subsection 402(d) (5) of the Trade Act of 1974, I transmit herewith my recommendation for a further 12-month extension of the authority to waive subsections (a) and (b) of section 402.

In accordance with subsections 402(d) (5) (B) and (C), this recommendation gives my reasons for recommending the extension of waiver authority and for my determination that continuation of the waivers applicable to the Socialist Republic of Romania and to the Hungarian Peo-

ple's Republic will substantially promote the objectives of section 402.

I include as part of my recommendation, my determination that further extension of the waiver authority, and continuation of the waivers applicable to the Socialist Republic of Romania and to the Hungarian People's Republic, will substantially promote the objectives of section 402.

For the information of the Congress, I also include my finding and determination that the requirements for renewal of the United States-Romanian Agreement on Trade Relations under section 405(b) of the Trade Act have been satisfied.

JIMMY CARTER

The White House,  
June 2, 1978.

### RECOMMENDATION FOR EXTENSION OF WAIVER AUTHORITY

I recommend to the Congress that the waiver authority granted by subsection 402(c) of the Trade Act of 1974 (hereinafter referred to as "the Act") be further extended for twelve months. Pursuant to subsection 402(d) (5) of the Act, I have today determined that further extension of the waiver authority granted by section 402(c) of the Act and continuation of the waivers currently applicable to the Socialist Republic of Romania and to the Hungarian People's Republic will substantially promote the objectives of section 402 of the Act. My determinations are attached to this recommendation, and are incorporated herein.

The general waiver authority conferred by section 402(c) of the Act has proved to be a useful instrument in permitting the expansion of relations between the United States and East European countries. It permitted us to sign bilateral trade agreements with Romania and Hungary in

April 1975 and March 1978, respectively, which have laid a foundation for increased trade and closer relations. The extension of general waiver authority is necessary to permit continuation of the U.S.-Romanian Trade Agreement for another three-year period. The recently-negotiated Trade Agreement with Hungary, a significant development in the favorable evolution of our relations with that country, is before the Congress for approval. Moreover, continuation of this authority will provide a basis for future steps to expand and improve our bilateral relations with other countries subject to subsection 402 (a) and (b) of the Act, should circumstances permit. I believe that all of these considerations make it in the national interest to extend the general waiver authority.

Extension of the waiver for Romania will permit us to continue to promote the objectives of section 402 of the Trade Act of 1974. Emigration from Romania to the United States has continued to increase during the period in which the waiver has been in effect, and 1977 saw a marked increase in overall emigration from Romania, led by a large increase in emigration to the Federal Republic of Germany. Emigration to Israel, however, has declined somewhat. The Administration has continued to advise Romanian officials periodically of our high interest in emigration both to the United States and to Israel. At my request, the Department of State conducted a detailed review of Romanian emigration trends and practices this winter, and a report was sent to the Congress on February 9. I also expressed our interest in greater emigration to Romanian President Ceausescu during his recent visit. The questions of emigration to Israel and the United States and of binational marriages were also discussed in detail during a meeting between Secretary of State Vance and Romanian Foreign Min-

ister Stefan Andrei on April 13. This close dialogue with Romanian officials has led to the favorable resolution of many emigration and humanitarian problems. It is my intention to continue to bring to the attention of the Romanian government matters relating to emigration which do not seem to be consistent with the assurances which have been given in the past. Failure to extend the waiver authority would remove the major incentive to encourage Romania to be more forthcoming on emigration. In view of continuing progress in this respect, I therefore, strongly recommend continuation of the waiver for Romania.

On April 7, 1978, when I issued a waiver of the application of subsections (a) and (c) of section 402 with respect to Hungary, I noted that the Hungarian Government has stressed to us that it intends to continue dealing with emigration matters in a responsive and humanitarian way. Since that time Hungary's actions have remained consistent with this policy. I have therefore determined that a continuation of this waiver will substantially promote the objectives of section 402 of the Trade Act.

## Trade With Romania

*Memorandum From the President.*  
*June 2, 1978*

Presidential Determination No. 78-13

### *Memorandum for the Secretary of State*

*Subject: Renewal of the U.S.-Romanian Agreement on Trade Relations—Finding and Determination under Subsection 405(b)(1) of the Trade Act of 1974*

Pursuant to the authority vested in me under the Trade Act of 1974 (Public Law 93-618, January 3, 1975; 88 Stat. 1978) (hereinafter "the Act"), I find,



pursuant to subsection 405(b)(1) of the Act, that a satisfactory balance of concessions in trade and services has been maintained during the life of the Agreement on Trade Relations between the United States of America and the Socialist Republic of Romania. I further determine that actual or foreseeable reductions in United States tariffs and non-tariff barriers to trade resulting from multilateral negotiations are satisfactorily reciprocated by the Socialist Republic of Romania.

This finding and determination shall be published in the FEDERAL REGISTER.

JIMMY CARTER

[Filed with the Office of the Federal Register.  
3:59 p.m., June 14, 1978]

## Trade With Hungary and Romania

*Memorandum From the President.*  
*June 2, 1978*

Presidential Determination No. 78-14

*Memorandum for the Secretary of State*  
*Subject:* Determination under Subsections 402(d)(5) and (d)(5)(C) of the Trade Act of 1974—Continuation of Waiver Authority

Pursuant to the authority vested in me under the Trade Act of 1974, (Public Law 93-618, January 3, 1975; 88 Stat. 1978) (hereinafter "the Act"), I determine, pursuant to Subsections 402(d)(5) and (d)(5)(C) of the Act, that the further extension of the waiver authority granted by Subsection 402(c) of the Act will substantially promote the objectives of Section 402 of the Act. I further determine that continuation of the waivers applicable to the Socialist Republic of Romania and to the Hungarian People's Republic will substantially promote the objectives of Section 402 of the Act.

This determination shall be published in the FEDERAL REGISTER.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
4 p.m., June 14, 1978]

## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### May 27

The President met at the White House with:

- Soviet Foreign Minister A. A. Gromyko;
- Mrs. Joseph P. Kennedy.

### May 29

The President declared a major disaster for the State of Montana as a result of severe storms and flooding, beginning about May 16, which caused extensive public and private property damage.

The President declared a major disaster for the State of Wyoming as a result of severe storms, flooding, and mudslides, beginning about May 15, which caused extensive public and private property damage.

### May 30

The President met with NATO Secretary General Joseph M. A. H. Luns in the Oval Office at the White House.

### May 31

The President and Mrs. Carter hosted a private dinner for British Prime Minister and Mrs. James Callaghan at the

White House. They were later joined by British Ambassador to the United States Peter Jay and his wife.

*June 1*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Deputy Secretary of State Warren M. Christopher and several Members of the House of Representatives;
- Vice President Walter F. Mondale, Adm. Stansfield Turner, Director of Central Intelligence, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski;
- Mrs. Carter, for lunch.

The President attended a fiscal year 1980 Federal budget issues meeting in the Cabinet Room at the White House.

*June 2*

The President met at the White House with:

- Vice President Mondale, Secretary of State Cyrus R. Vance, Secretary of Defense Harold Brown, Dr. Brzezinski, and Mr. Jordan;
- Ambassador Robert S. Strauss, Special Representative for Trade Negotiations;
- Secretary of Health, Education, and Welfare Joseph A. Califano, Jr., and Representative Paul G. Rogers of Florida;
- a group of State Democratic Party chairmen;
- Charles L. Schultze, Chairman of the Council of Economic Advisers;
- Dr. Brzezinski.

The President attended a fiscal year 1980 Federal budget issues meeting in the Cabinet Room at the White House.

The President left the White House for a weekend stay at Camp David, Md.

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**NOMINATIONS SUBMITTED  
TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

**Submitted June 1, 1978**

ADOLPH DUBS, of Maryland, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Afghanistan.

FREDERIC L. CHAPIN, of New Jersey, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ethiopia.

WILLIAM H. GLEYSTEN, JR., of Pennsylvania, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea.

**Submitted June 2, 1978**

MORTON I. ABRAMOWITZ, of Massachusetts, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Thailand.

RAYMOND E. GONZÁLEZ, of California, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ecuador.

SANTIAGO E. CAMPOS, of New Mexico, to be United States District Judge for the District of New Mexico, vice H. Vearle Payne, retired.

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**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released May 30, 1978**

Advance text: remarks at the opening ceremonies of the North Atlantic Alliance Summit

Announcement: signing of joint resolution reaffirming the unity of the North Atlantic Alliance commitment

*Administration of Jimmy Carter, 1978*

**CHECKLIST—Continued**

**Released May 31, 1978**

News conference: on the Consumer Price Index figures and inflation—by Ambassador Robert S. Strauss, Special Representative for Trade Negotiations

**Released June 1, 1978**

Announcement: nomination of Santiago E. Campos to be United States District Judge for the District of New Mexico

**CHECKLIST—Continued**

**Released June 2, 1978**

Announcement: nomination of Paul F. Murray to be United States Attorney for the District of Rhode Island

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved May 30, 1978**

S. J. Res. 137----- Public Law 95-287  
A joint resolution reaffirming the unity of the North Atlantic Alliance commitment.



# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, June 9, 1978

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## Bombing Incident in Jerusalem

*White House Statement. June 2, 1978*

The President condemns the tragic event in Jerusalem where a cowardly and senseless bombing took the lives of a number of innocent civilians, including an American, and wounded many more.

The killing and maiming of innocent people advances no cause and serves no meaningful purpose.

Every such act of calculated cruelty places new obstacles in the way of those who seek peace, while strengthening the hand of those who feed on conflict. The United States denounces this latest example of terrorism and extends its sympathy to the victims and their families.

NOTE: Five passengers were killed by a bomb which was placed in their bus by Palestinian guerrillas.

The statement was released on June 3.

## Overseas Private Investment Corporation

*Nomination of Edward L. Marcus To Be a Member of the Board of Directors.  
June 5, 1978*

The President today announced that he will nominate Edward L. Marcus, of Branford, Conn., to be a member of the

Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1980. He would replace Herbert Salzman, resigned.

Marcus was born June 14, 1927, in Brooklyn, New York City. He received a B.A. from Yale University in 1948 and an L.L.B. from Yale Law School in 1950.

Since 1950 Marcus has been a practicing attorney in New Haven, Conn., specializing in real estate, corporate, and commercial law. He was a member of the Connecticut State Senate from 1958 to 1970.

## Lowell National Historical Park

*Statement on Signing H.R. 11662 Into Law.  
June 5, 1978*

Today I am signing into law H.R. 11662, which establishes the Lowell National Historic Park.

The city of Lowell, Massachusetts, was founded in 1822 at a site on the Merrimack River about 30 miles north of Boston. Over the next 50 years the city rapidly expanded to become our Nation's first great industrial city and the center of the Northeast's textile industry.

This bill will permit the restoration and preservation of many of Lowell's historic structures through a cooperative arrange-

ment with State and local governments. The Lowell National Historic Park will be administered by the National Park Service, while the Lowell Historic Preservation District, adjacent to the park, will remain under the jurisdiction of the city of Lowell.

The bill creates a Lowell Historic Preservation Commission to advise the city in its stewardship of the historic properties within this district. The Commission will comprise 15 members representing local, State, and Federal governments. It will be authorized to make low-interest loans and grants for the restoration and preservation of properties.

I want to thank Representative Paul Tsongas, Senator Edward Kennedy, and Senator Edward Brooke for their dedicated work on this legislation.

The enactment of this bill into law will preserve a portion of America's history for the perpetual enjoyment of our people.

NOTE: As enacted, H.R. 11662 is Public Law 95-290, approved June 5.

## United States Court of Military Appeals Nominating Commission

*Executive Order 12063. June 5, 1978*

By the authority vested in me as President by the Constitution and statutes of the United States of America, and in order to create in accordance with the Federal Advisory Committee Act (5 U.S.C. App. I) an advisory commission on the membership of the United States Court of Military Appeals, it is hereby ordered as follows:

### 1-1. *Establishment of the Commission.*

1-101. There is established the United States Court of Military Appeals Nomi-

nating Commission. The Commission shall be comprised of six members appointed by the President.

1-102. Not more than three members shall be officials of the Federal government. The Federal members shall include the General Counsel of the Department of Defense, who shall chair the Commission. The private members shall be selected from among those in the legal profession.

### 1-2. *Functions of the Commission.*

1-201. When notified by the President that he desires its assistance in filling a vacancy on the United States Court of Military Appeals, the Commission shall conduct inquiries to identify persons who may be qualified to serve in the position and shall conduct further inquiries to determine those persons' qualifications.

1-202. In conducting its inquiries the Commission shall follow any procedures or criteria established by the President in his letter of notification or by the Secretary of Defense acting on behalf of the President.

1-203. The Commission shall submit a report to the President and to the Secretary of Defense within 60 days from the date it is notified by the President that he desires its assistance. The report shall list the names of no more than five persons whom the Commission considers well qualified to serve in the position.

1-204. The Commission shall conduct such additional inquiries and submit such additional reports as may be requested by the President.

1-205. The Commission shall perform no function except when requested by the President to assist him in filling a vacancy.

### 1-3. *Administrative Provisions.*

1-301. The Commission is authorized to request from any Executive agency such

information or assistance as the Commission deems necessary to carry out its functions under this Order. Each agency shall, to the extent permitted by law, furnish such information or assistance to the Commission.

1-302. The Commission is authorized to request from any State agency such information and assistance as the Commission deems necessary. It is authorized to obtain such information and assistance to the extent permitted by State law.

1-303. Members of the Commission shall serve without compensation. While engaged in the work of the Commission, members may receive travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5702 and 5703).

1-304. The Secretary of Defense shall furnish to the Commission necessary administrative support.

1-305. All necessary expenses incurred in connection with the work of the Commission, to the extent permitted by law, shall be paid from funds available to the Secretary of Defense.

*1-4. General Provision.*

1-401. No member of the Commission shall, while serving on the Commission or for a period of one year thereafter, be eligible to be nominated to fill a position as a judge on the Court of Military Appeals.

1-402. Notwithstanding the provisions of any other Executive order, the functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I), except that of reporting annually to the Congress, which are applicable to the Commission, shall be performed by the Secretary of Defense in accordance with the guidelines and procedures established by the Administrator of General Services.

1-403. The Commission shall terminate on December 31, 1978, unless sooner extended.

JIMMY CARTER

The White House,  
June 5, 1978.

[Filed with the Office of the Federal Register,  
10:18 a.m., June 6, 1978]

## United States Tax Court Nominating Commission

*Executive Order 12064. June 5, 1978*

By the authority vested in me as President by the Constitution and statutes of the United States of America, and in order to create in accordance with the Federal Advisory Committee Act (5 U.S.C. App. I) an advisory commission on the membership of the United States Tax Court, it is hereby ordered as follows:

*1-1. Establishment of the Commission.*

1-101. There is established the United States Tax Court Nominating Commission. The Commission shall be comprised of six members appointed by the President.

1-102. Not more than three members shall be officials of the Federal government. The Federal members shall include the General Counsel of the Department of the Treasury, who shall chair the Commission. The private members shall have special expertise in the field of Federal taxation.

*1-2. Functions of the Commission.*

1-201. When notified by the President that he desires its assistance in filling a vacancy on the United States Tax Court, the Commission shall conduct inquiries to identify persons who may be qualified to serve in the position and shall conduct

further inquiries to determine those persons' qualifications.

1-202. In conducting its inquiries the Commission shall follow any procedures or criteria established by the President in his letter of notification or by the Secretary of the Treasury acting on behalf of the President.

1-203. The Commission shall submit a report to the President and to the Secretary of the Treasury within 60 days from the date it is notified by the President that he desires its assistance. The report shall list the names of no more than five persons whom the Commission considers well qualified to serve in the position.

1-204. The Commission shall conduct such additional inquiries and submit such additional reports as may be requested by the President.

1-205. The Commission shall perform no function except when requested by the President to assist him in filling a vacancy.

### 1-3. *Administrative Provisions.*

1-301. The Commission is authorized to request from any Executive agency such information or assistance as the Commission deems necessary to carry out its functions under this Order. Each agency shall, to the extent permitted by law, furnish such information or assistance to the Commission.

1-302. The Commission is authorized to request from any State agency such information and assistance as the Commission deems necessary. It is authorized to obtain such information and assistance to the extent permitted by State law.

1-303. Members of the Commission shall serve without compensation. While engaged in the work of the Commission, members may receive travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5702 and 5703).

1-304. The Secretary of the Treasury shall furnish to the Commission necessary administrative support.

1-305. All necessary expenses incurred in connection with the work of the Commission, to the extent permitted by law, shall be paid from funds available to the Secretary of the Treasury.

### 1-4. *General Provisions.*

1-401. No member of the Commission shall, while serving on the Commission or for a period of one year thereafter, be eligible to be nominated to fill a position as a judge on the Tax Court.

1-402. Notwithstanding the provisions of any other Executive order, the functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I), except that of reporting annually to the Congress, which are applicable to the Commission, shall be performed by the Secretary of the Treasury in accordance with the guidelines and procedures established by the Administrator of General Services.

1-403. The Commission shall terminate on December 31, 1978, unless sooner extended.

JIMMY CARTER

The White House,

June 5, 1978.

[Filed with the Office of the Federal Register,  
10:19 a.m., June 6, 1978]

## Joseph M. Montoya

*Statement on the Death of the Former  
Senator From New Mexico. June 5, 1978*

As a United States Senator, Joseph Montoya dedicated himself to legislation that would promote progress and benefit the people of his State and Nation. From the time he was first elected to the State



house of representatives at the age of 21, he devoted his life to public service—a total of 38 years in office.

He attained justified, national recognition for his performance in the Senate at a time of national crisis.

Senator Montoya was part of the ancient and proud Hispanic tradition of New Mexico. My deepest sympathy goes out to his family at his death.

**NOTE:** Mr. Montoya served in the U.S. Senate from 1964 to 1977.

## North Pacific Fisheries Convention

*Message to the Senate Transmitting a Protocol. June 5, 1978*

*To the Senate of the United States:*

I am pleased to transmit the Protocol Amending the High Seas Fisheries of the North Pacific Ocean between the United States, Canada, and Japan for Senate advice and consent to ratification. The Protocol, along with accompanying Agreed Minutes and Memoranda of Understanding, were signed in Tokyo on April 25, 1978.

The Protocol amends the existing International Convention for the High Seas Fisheries of the North Pacific Ocean. Under the Protocol salmon of United States origin will receive substantially greater protection than afforded under the existing International Convention for the High Seas Fisheries of the North Pacific Ocean signed on May 9, 1952. An amendment to the existing Convention, rather than sole reliance on the provisions of the Fishery Conservation and Management Act, is being sought in order to obtain the continuing benefits of the abstention principle established by the existing Conven-

tion, and to overcome the practical management and enforcement problems which occur in areas of the high seas where United States origin salmon intermingle with salmon originating in other countries.

I transmit also for the information of the Senate the report of the Department of State with respect to the Protocol and associated documents.

I urge the Senate to act favorably at an early date on this Protocol.

JIMMY CARTER

The White House,  
June 5, 1978.

## Budget Rescission and Deferrals

*Message to the Congress. June 5, 1978*

*To the Congress of the United States:*

In accordance with the Impoundment Control Act of 1974, I herewith report one proposal to rescind \$48 million in budget authority previously provided by the Congress. In addition, I am reporting three new deferrals totalling \$8.1 million and revisions to three previously transmitted deferrals increasing the amount deferred by \$0.4 million.

The rescission proposal affects the military assistance program. The new deferrals and the revisions to existing deferrals involve programs in the Departments of Agriculture, Commerce, the Interior, and the Treasury.

The details of the rescission proposal and the deferrals are contained in the attached reports.

JIMMY CARTER

The White House,  
June 5, 1978.

**NOTE:** The attachments detailing the rescission and deferrals are printed in the **FEDERAL REGISTER** of June 9, 1978.

## Mexico-United States Interparliamentary Conference

*Remarks at a Reception for Delegates to the  
18th Conference. June 5, 1978*

*Senator Gamboa, Congressman Alvarez,  
Senator Bentsen, Congressmen de la  
Garza, Wright, and others, friends of  
Mexico:*

It's a great pleasure to have you here in our house.<sup>1</sup>

I also speak English. [Laughter] And I would like to say in my own language that the first visitor that we had to the White House after I became President was the President of Mexico, my good friend, López Portillo. And my wife attended his inauguration before she attended mine.

When he came here, we had a great opportunity to discuss many important matters that are of concern to the people of Mexico and to the people of the United States. Several discussion groups were initiated between our two governments, and their work has already been of great benefit to our people.

We discussed the importance of the ratification of the Treaty of Tlatelolco. We discussed the importance of a free exchange of prisoners incarcerated in our two countries, and we discussed the problem of marine boundaries, a fisheries agreement, agricultural trade, civil aviation. And I can report to you that already we have made excellent progress in every one of these very important matters.

President López Portillo was very helpful to us in negotiating with Panama the terms of the new Panama Canal Treaty. His influence and his moderating position between our country and that of Panama was a very constructive element in the successful conclusion of this treaty which

I believe lays a new foundation for relationships throughout this hemisphere.

When he and I became President, one of the greatest problems was the trade in illegal drugs between Mexico and the United States. Because of his courage and the effectiveness of our joint effort, this trade in heroin and other destructive drugs has been drastically reduced.

Obviously, we still have many serious problems that we share—the problem of how to deal humanely and properly with undocumented aliens, the problem of improving the economic status of the people in our two countries, how to increase already good trade relationships between us, to deal with tax problems. I realize that we have many challenges before us, but the friendship that binds us together is a good foundation on which we can anticipate success.

These negotiations are routinely conducted between Presidents or members of our Cabinet. But an exchange of distinguished legislative leaders from between our countries is a very constructive element in the understanding of common needs and in tying the people of our two countries together, even closer than they have been in the past.

We consider this visit to be one not only of great honor to us but one of present and future constructive efforts to make the relationships between our nations even better.

And finally, let me say that the people of the United States of America are blessed to have such a wonderful neighbor to the south. We live in harmony and peace with one another, with mutual respect and friendship, and we have a great admiration for Mexico, not only because of these blessings that are bestowed on us by your being our neighbor but also because of the increasing beneficial influence that the Government of Mexico is having throughout the world.

<sup>1</sup> The President spoke in Spanish, and his remarks were translated by an interpreter.

Your leadership in the developing nations of the world is because of the democratic principles on which your government is founded and in which your people believe, your complete commitment to preserving and enhancing basic human rights. And we are very proud to share these noble ideals with people for whom we care so deeply.

Thank you very much.

NOTE: The President spoke at 5:20 p.m. in the East Room at the White House. In his opening remarks, he referred to Joaquin Gamboa Pascoe, majority leader of the Mexican Senate, and Enrique Alvarez del Castillo, president of the Great Commission in the Mexican Chamber of Deputies.

## Federal Water Policy

*Remarks Announcing the Administration's Policy. June 6, 1978*

Last year, I asked Secretary Cecil Andrus to lead an interagency review of Federal water policy. And today, I'm sending to Congress a water policy message designed to achieve four basic objectives: one, improved planning and efficient management of Federal water policy programs, which will permit the completion of necessary water projects that are cost-effective, safe, and environmentally sound; two, a new national emphasis on water conservation; three, enhanced Federal-State cooperation in water policy and in planning; and four, increased attention to environmental quality. We will achieve these objectives without imposing any new Federal regulatory program for water management.

This policy recognizes that across the Nation there is remarkable diversity in the role that water plays. In most of the West, water is scarce and must be managed very carefully. Its use is governed

by longstanding tradition and laws. In other areas of the country, flooding is more of a problem than drought. And in many areas, plentiful water resources have been offering opportunities for hydroelectric power and for navigation. Urban areas throughout the country face the need for rehabilitation of their drinking water systems. And everywhere, water is fundamental to environmental quality.

This policy recognizes the substantial benefits that water development has provided to our country. But our Federal water resource programs are now plagued by inefficiencies and environmental problems. These initiatives are specifically addressed to the four objectives of water policy.

First, to improve Federal water resource programs, I propose the use of new criteria and uniform procedures for the computation of project costs and benefits with an expedited interagency review to assure that projects are assessed rapidly and consistently, and cost-sharing to give States a more meaningful role in water project designs and decisions, yet to protect small States from undue financial burdens. Second, to establish water conservation as a new national priority, I'm directing all Federal agencies to incorporate water conservation requirements in all applicable programs, and proposing legislation to allow States the option of charging more for municipal and industrial water supplies from Federal reservoirs to encourage conservation, provided that the additional revenue is returned to the municipality.

Third, to enhance Federal-State cooperation, I'm proposing grant programs totaling \$50 million to help States plan for their water needs and to implement water conservation programs, and creating a task force with State, local, and Federal officials to examine water-related

problems and to deepen the partnership that this water policy review has begun.

Fourth and finally, to protect the environment, I'm requiring agencies to enforce environmental statutes more effectively, requiring agencies to fund environmental mitigation plans at the same time projects are being built, and seeking increased State cooperation in protection of in-stream flows and ground water resources.

I want to work closely with the Congress, with State and local governments, and with the public to implement this policy, to build needed water projects, to avert water shortages in the future, and to preserve our beautiful rivers and streams for tomorrow's America.

And now, Secretary Cecil Andrus, who has been instrumental in preparing this report which is going to the Congress, will be available to speak further and answer any questions that you might have.

Thank you.

**NOTE:** The President spoke at 11:02 a.m. to reporters assembled in the Briefing Room at the White House. Following his remarks, Secretary of the Interior Andrus and Stuart E. Eizenstat, Assistant to the President for Domestic Affairs and Policy, held a news conference on the policy.

## Federal Water Policy

*Message to the Congress. June 6, 1978*

*To the Congress of the United States:*

I am today sending to Congress water policy initiatives designed to:

- improve planning and efficient management of Federal water resource programs to prevent waste and to permit necessary water projects which are cost-effective, safe and environmentally sound to move forward expeditiously;

- provide a new, national emphasis on water conservation;
- enhance Federal-State cooperation and improved State water resources planning; and
- increase attention to environmental quality.

None of the initiatives would impose any new federal regulatory program for water management.

Last year, I directed the Water Resources Council, the Office of Management and Budget and the Council on Environmental Quality, under the chairmanship of Secretary Cecil Andrus, to make a comprehensive review of Federal water policy and to recommend proposed reforms.

This new water policy results from their review, the study of water policy ordered by the Congress in Section 80 of the Water Resources Planning Act of 1974 and our extensive consultations with members of Congress, State, county, city and other local officials and the public.

Water is an essential resource, and over the years, the programs of the Bureau of Reclamation, the Corps of Engineers, the Soil Conservation Service and the Tennessee Valley Authority have helped permit a dramatic improvement in American agriculture, have provided irrigation water essential to the development of the West, and have developed community flood protection, electric power, navigation and recreation throughout the Nation.

I ordered this review of water policies and programs because of my concern that while Federal water resources programs have been of great benefit to our Nation, they are today plagued with problems and inefficiencies. In the course of this water policy review we found that:

- Twenty-five separate Federal agencies spend more than \$10 billion per year

on water resources projects and related programs.

—These projects often are planned without a uniform, standard basis for estimating benefits and costs.

—States are primarily responsible for water policy within their boundaries, yet are not integrally involved in setting priorities and sharing in Federal project planning and funding.

—There is a \$34 billion backlog of authorized or uncompleted projects.

—Some water projects are unsafe or environmentally unwise and have caused losses of natural streams and rivers, fish and wildlife habitat and recreational opportunities.

The study also found that water conservation has not been addressed at a national level even though we have pressing water supply problems. Of 106 watershed subregions in the country, 21 already have severe water shortages. By the year 2000 this number could increase to 39 subregions. The Nation's cities are also beginning to experience water shortage problems which can only be solved at very high cost. In some areas, precious ground-water supplies are also being depleted at a faster rate than they are replenished. In many cases an effective water conservation program could play a key role in alleviating these problems.

These water policy initiatives will make the Federal government's water programs more efficient and responsive in meeting the Nation's water-related needs. They are designed to build on fundamentally sound statutes and on the Principles and Standards which govern the planning and development of Federal water projects, and also to enhance the role of the States, where the primary responsibilities for water policy must lie. For the first time, the Federal government will work with State and local governments and exert

needed national leadership in the effort to conserve water. Above all, these policy reforms will encourage water projects which are economically and environmentally sound and will avoid projects which are wasteful or which benefit a few at the expense of many.

Across the Nation there is remarkable diversity in the role water plays. Over most of the West, water is scarce and must be managed carefully—and detailed traditions and laws have grown up to govern the use of water. In other parts of the country, flooding is more of a problem than drought, and in many areas, plentiful water resources have offered opportunities for hydroelectric power and navigation. In the urban areas of our Nation, water supply systems are the major concern—particularly where antiquated systems need rehabilitation in order to conserve water and assure continued economic growth.

Everywhere, water is fundamental to environmental quality. Clean drinking water, recreation, wildlife and beautiful natural areas depend on protection of our water resources.

Given this diversity, Federal water policy cannot attempt to prescribe water use patterns for the country. Nor should the Federal government preempt the primary responsibility of the States for water management and allocation. For those reasons, these water policy reforms will *not* preempt State or local water responsibilities. Yet water policy is an important national concern, and the Federal government has major responsibilities to exercise leadership, to protect the environment and to develop and maintain hydroelectric power, irrigated agriculture, flood control and navigation.

The primary focus of the proposals is on the water resources programs of the Corps of Engineers, the Bureau of Recla-

mation, the Soil Conservation Service and the Tennessee Valley Authority, where annual water program budgets total approximately \$3.75 billion. These agencies perform the Federal government's water resource development programs. In addition, a number of Federal agencies with water-related responsibilities will be affected by this water policy.

I am charging Secretary Andrus with the lead responsibility to see that these initiatives are carried out promptly and fully. With the assistance of the Office of Management and Budget and the Council on Environmental Quality, he will be responsible for working with the other Federal agencies, the Congress, State and local governments and the public to assure proper implementation of this policy and to make appropriate recommendations for reform in the future.

#### SPECIFIC INITIATIVES IMPROVING FEDERAL WATER RESOURCE PROGRAMS

The Federal government has played a vital role in developing the water resources of the United States. It is essential that Federal water programs be updated and better coordinated if they are to continue to serve the nation in the best way possible. The reforms I am proposing are designed to modernize and improve the coordination of federal water programs. In addition, in a few days, I will also be sending to the Congress a Budget amendment proposing funding for a number of new water project construction and planning starts. These projects meet the criteria I am announcing today. This is the first time the Executive Branch has proposed new water project starts since Fiscal Year 1975, four years ago.

The actions I am taking include:

- A directive to the Water Resources Council to improve the implementation of the Principles and Standards govern-

ing the planning of Federal water projects. The basic planning objectives of the Principles and Standards—national economic development and environmental quality—should be retained and given equal emphasis. In addition, the implementation of the Principles and Standards should be improved by:

- adding water conservation as a specific component of both the economic and environmental objectives;
- requiring the explicit formulation and consideration of a primarily non-structural plan as one alternative whenever structural water projects or programs are planned;
- instituting consistent, specific procedures for calculating benefits and costs in compliance with the Principles and Standards and other applicable planning and evaluation requirements. Benefit-cost analyses have not been uniformly applied by Federal agencies, and in some cases benefits have been improperly recognized, “double-counted” or included when inconsistent with federal policy or sound economic rationale. I am directing the Water Resources Council to prepare within 12 months a manual which ensures that benefits and costs are calculated using the best techniques and provides for consistent application of the Principles and Standards and other requirements;
- ensuring that water projects have been planned in accordance with the Principles and Standards and other planning requirements by creating, by Executive Order, a project review function located in the Water Resources Council. A professional staff will ensure an impartial review of pre-construction project plans for their consistency with established planning and benefit-cost analysis

procedures and applicable requirements. They will report on compliance with these requirements to agency heads, who will include their report, together with the agency recommendations, to the Office of Management and Budget. Project reviews will be completed within 60 days, before the Cabinet officer makes his or her Budget request for the coming fiscal year. Responsibility will rest with the Cabinet officer for Budget requests to the Office of Management and Budget, but timely independent review will be provided. This review must be completed within the same budget cycle in which the Cabinet Officer intends to make Budget requests so that the process results in no delay.

—The manual, the Principles and Standards requirements and the independent review process will apply to all authorized projects (and separable project features) not yet under construction.

- Establishment of the following criteria for setting priorities each year among the water projects eligible for funding or authorization, which will form the basis of my decisions on specific water projects:

—Projects should have net national economic benefits unless there are environmental benefits which clearly more than compensate for any economic deficit. Net adverse environmental consequences should be significantly outweighed by economic benefits. Generally, projects with higher benefit/cost ratios and fewer adverse environmental consequences will be given priority within the limits of available funds.

—Projects should have widely distributed benefits.

—Projects should stress water conservation and appropriate non-structural measures.

—Projects should have no significant safety problems involving design, construction or operation.

—There should be evidence of active public support including support by State and local officials.

—Projects will be given expedited consideration where State governments assume a share of costs over and above existing cost-sharing.

—There should be no significant international or inter-governmental problems.

—Where vendible outputs are involved preference should be given to projects which provide for greater recovery of Federal and State costs, consistent with project purposes.

—The project's problem assessment, environmental impacts, costs and benefits should be based on up-to-date conditions (planning should not be obsolete).

—Projects should be in compliance with all relevant environmental statutes.

—Funding for mitigation of fish and wildlife damages should be provided concurrently and proportionately with construction funding.

- Preparation of a legislative proposal for improving cost-sharing for water projects. Improved cost-sharing will allow States to participate more actively in project decisions and will remove biases in the existing system against non-structural flood control measures. These changes will help assure project merit. This proposal, based on the study required by Section 80 of P.L. 93-251, has two parts:

—participation of States in the financing of federal water project construction. For project purposes with vendible outputs (such as water supply or hydroelectric power), States would contribute 10% of the costs, proportionate to and phased with federal appropriations. Revenues

would be returned to the States proportionate to their contribution. For project purposes without vendible outputs (such as flood control), the State financing share would be 5%. There would be a cap on State participation per project per year of  $\frac{1}{4}$  of 1% of the State's general revenues so that a small State would not be precluded from having a very large project located in it. Where project benefits accrue to more than one State, State contributions would be calculated accordingly, but if a benefiting State did not choose to participate in cost-sharing, its share could be paid by other participating States. This State cost-sharing proposal would apply on a mandatory basis to projects not yet authorized. However, for projects in the authorized backlog, States which voluntarily enter into these cost-sharing arrangements will achieve expedited Executive Branch consideration and priority for project funding, as long as other project planning requirements are met. Soil Conservation Service projects will be completely exempt from this State cost-sharing proposal.

—equalizing cost-sharing for structural and non-structural flood control alternatives. There is existing authority for 80%–20% Federal/non-Federal cost-sharing for non-structural flood control measures (including in-kind contributions such as land and easements). I will begin approving non-structural flood control projects with this funding arrangement and will propose that a parallel cost-sharing requirement (including in-kind contributions) be enacted for structural flood control measures, which currently have a multiplicity of cost-sharing rules.

Another policy issue raised in Section 80 of P.L. 93–251 is that of the appropriate discount rate for computing the present value of future estimated economic benefits of water projects. After careful consideration of a range of op-

tions I have decided that the currently legislated discount rate formula is reasonable, and I am therefore recommending that no change be made in the current formula. Nor will I recommend retroactive changes in the discount rate for currently authorized projects.

#### WATER CONSERVATION

Managing our vital water resources depends on a balance of supply, demand and wise use. Using water more efficiently is often cheaper and less damaging to the environment than developing additional supplies. While increases in supply will still be necessary, these reforms place emphasis on water conservation and make clear that this is now a national priority.

In addition to adding the consideration of water conservation to the Principles and Standards, the initiatives I am taking include:

- Directives to all Federal agencies with programs which affect water supply or consumption to encourage water conservation, including:
  - making appropriate community water conservation measures a condition of the water supply and wastewater treatment grant and loan programs of the Environmental Protection Agency, the Department of Agriculture and the Department of Commerce;
  - integrating water conservation requirements into the housing assistance programs of the Department of Housing and Urban Development, the Veterans Administration and the Department of Agriculture;
  - providing technical assistance to farmers and urban dwellers on how to conserve water through existing programs of the Department of Agriculture, the Department of Interior and the Department of Housing and Urban Development;



- requiring development of water conservation programs as a condition of contracts for storage or delivery of municipal and industrial water supplies from federal projects;
  - requiring the General Services Administration, in consultation with affected agencies, to establish water conservation goals and standards in Federal buildings and facilities;
  - encouraging water conservation in the agricultural assistance programs of the Department of Agriculture and the Department of Interior which affect water consumption in water-short areas; and
  - requesting all Federal agencies to examine their programs and policies so that they can implement appropriate measures to increase water conservation and re-use.
- A directive to the Secretary of the Interior to improve the implementation of irrigation repayment and water service contract procedures under existing authorities of the Bureau of Reclamation. The Secretary will:
- require that new and renegotiated contracts include provisions for recalculation and renegotiation of water rates every five years. This will replace the previous practice of 40-year contracts which often do not reflect inflation and thus do not meet the beneficiaries' repayment obligations;
  - under existing authority add provisions to recover operation and maintenance costs when existing contracts are renegotiated, or earlier where existing contracts have adjustment clauses;
  - more precisely calculate and implement the "ability to pay" provision in existing law which governs recovery of a portion of project capital costs.

• Preparation of legislation to allow States the option of requiring higher prices for municipal and industrial water supplies from Federal projects in order to promote conservation, provided that State revenues in excess of Federal costs would be returned to municipalities or other public water supply entities for use in water conservation or rehabilitation of water supply systems.

#### FEDERAL-STATE COOPERATION

States must be the focal point for water resource management. The water reforms are based on this guiding principle. Therefore, I am taking several initiatives to strengthen Federal-State relations in the water policy area and to develop a new, creative partnership. In addition to proposing that States increase their roles and responsibilities in water resources development through cost-sharing, the actions I am taking include:

• Proposing a substantial increase from \$3 million to \$25 million annually in the funding of State water planning under the existing 50%-50% matching program administered by the Water Resources Council. State water planning would integrate water management and implementation programs which emphasize water conservation and which are tailored to each State's needs including assessment of water delivery system rehabilitation needs and development of programs to protect and manage groundwater and instream flows.

• Preparation of legislation to provide \$25 million annually in 50%-50% matching grant assistance to States to implement water conservation technical assistance programs. These funds could be passed through to counties and cities for use in urban or rural water conservation programs. This program will be administered by the Water Resources Council in con-

junction with matching grants for water resources planning.

- Working with Governors to create a Task Force of Federal, State, county, city and other local officials to continue to address water-related problems. The administrative actions and legislative proposals in this Message are designed to initiate sound water management policy at the national level. However, the Federal government must work closely with the States, and with local governments as well, to continue identifying and examining water-related problems and to help implement the initiatives I am announcing today. This Task Force will be a continuing guide as we implement the water policy reforms and will ensure that the State and local role in our Nation's water policy is constant and meaningful.

- An instruction to Federal agencies to work promptly and expeditiously to inventory and quantify Federal reserved and Indian water rights. In several areas of the country, States have been unable to allocate water because these rights have not been determined. This quantification effort should focus first on high priority areas, should involve close consultation with the States and water users and should emphasize negotiations rather than litigation wherever possible.

#### ENVIRONMENTAL PROTECTION

Water is a basic requirement for human survival, is necessary for economic growth and prosperity, and is fundamental to protecting the natural environment. Existing environmental statutes relating to water and water projects generally are adequate, but these laws must be consistently applied and effectively enforced to achieve their purposes. Sensitivity to environmental protection must be an important aspect of all water-related planning and management decisions. I am

particularly concerned about the need to improve the protection of instream flows and to evolve careful management of our nation's precious groundwater supplies, which are threatened by depletion and contamination.

My initiatives in this area include the following:

- A directive to the Secretary of the Interior and other Federal agency heads to implement vigorously the Fish and Wildlife Coordination Act, the Historic Preservation Act and other environmental statutes. Federal agencies will prepare formal implementing procedures for the Fish and Wildlife Coordination Act and other statutes where appropriate. Affected agencies will prepare reports on compliance with environmental statutes on a project-by-project basis for inclusion in annual submissions to the Office of Management and Budget.

- A directive to agency heads requiring them to include designated funds for environmental mitigation in water project appropriation requests to provide for concurrent and proportionate expenditure of mitigation funds.

- Accelerated implementation of Executive Order No. 11988 on floodplain management. This Order requires agencies to protect floodplains and to reduce risks of flood losses by not conducting, supporting or allowing actions in floodplains unless there are no practicable alternatives. Agency implementation is behind schedule and must be expedited.

- A directive to the Secretaries of Army, Commerce, Housing and Urban Development and Interior to help reduce flood damages through acquisition of flood-prone land and property, where consistent with primary program purposes.

- A directive to the Secretary of Agriculture to encourage more effective soil and water conservation through water-

shed programs of the Soil Conservation Service by:

- working with the Fish and Wildlife Service to apply fully the recently-adopted stream channel modification guidelines;
  - encouraging accelerated land treatment measures prior to funding of structural measures on watershed projects, and making appropriate land treatment measures eligible for Federal cost-sharing;
  - establishing periodic post-project monitoring to ensure implementation of land treatment and operation and maintenance activities specified in the work plan and to provide information helpful in improving the design of future projects.
- A directive to Federal agency heads to provide increased cooperation with States and leadership in maintaining instream flows and protecting groundwater through joint assessment of needs, increased assistance in the gathering and sharing of data, appropriate design and operation of Federal water facilities, and other means. I also call upon the Governors and the Congress to work with Federal agencies to protect the fish and wildlife and other values associated with adequate instream flows. New and existing projects should be planned and operated to protect instream flows, consistent with State law and in close consultation with States. Where prior commitments and economic feasibility permit, amendments to authorizing statutes should be sought in order to provide for streamflow maintenance.

#### CONCLUSION

These initiatives establish the goals and the framework for water policy reform. They do so without impinging on the rights of States and by calling for a closer partnership among the Federal, State,

county, city and other local levels of government. I want to work with the Congress, State and local governments and the public to implement this policy. Together we can protect and manage our nation's water resources putting water to use for society's benefit, preserving our rivers and streams for future generations of Americans, and averting critical water shortages in the future through adequate supply, conservation and wise planning.

JIMMY CARTER

The White House,  
June 6, 1978.

### National Commission on Unemployment Compensation

*Appointment of Bert Seidman and Delores G. Sanchez as Members.*  
June 6, 1978

The President today announced the appointment of two persons as members of the National Commission on Unemployment Compensation. They are Bert Seidman, of Falls Church, Va., director of the AFL-CIO's department of social security, and Delores G. Sanchez, of Los Angeles, Calif., partner in La Quebradita Supermarket in Los Angeles and a founding member of the Mexican American Grocers Association.

### Robert F. Kennedy

*Statement by the President.* June 6, 1978

The death of Robert Kennedy, 10 years ago today, was a terrible blow to the people of this Nation and the world. As a champion of the poor, of the victims of injustice, and of reconciliation and peace, he was an apostle and a symbol of hope.

He felt deeply, and aroused deep feelings. He is still mourned, and he is remembered as he was: passionate, moral, committed, spontaneous, joyful.

NOTE: Senator Kennedy was assassinated following his appearance at a political rally in Los Angeles, Calif. He was campaigning for the 1968 Democratic Presidential nomination.

## United States Naval Academy

*Address at the Commencement Exercises.*  
June 7, 1978

*Admiral McKee, Governor Lee, distinguished guests, members of the graduating class, and friends:*

We do have many distinguished guests here today. I invited my old boss, Admiral Hyman Rickover, to come and join us. He sent word back that he would, of course, comply with my orders as Commander in Chief, but he thought his work for the Navy in Washington was more important than listening to my speech. [Laughter] And I was not surprised. [Laughter]

I am glad to be back for a Naval Academy graduation, although I return with a different rank. I remember that 32 years ago I had the same experience that most of you are sharing today. I was not a midshipman officer. Most of you are not officers. I was thinking more about leave and marriage than I was about world events or a distant future. I would guess there are some among you who feel the same. [Laughter]

I was quite disappointed with my first appointment. We drew lots for assignments, and I had requested a new destroyer in the Pacific. I was assigned to the oldest ship in the Atlantic—[laughter]—the U.S.S. *Wyoming*, which was so dilapidated that because of safety purposes it was not permitted to come

into Norfolk to tie up alongside the pier, but had to anchor in isolation in Hampton Roads. [Laughter]

We had a distinguished speaker, Admiral Chester Nimitz. As will be the case with you, I don't remember a word he said. [Laughter] My one hope was that the graduation services would be brief. As will be the case with you, I was disappointed. [Laughter]

And I have to confess with you in confidence that at the time I did not expect to come back here later as President of the United States.

Seven years later, I reluctantly left the Navy. But I can say in retrospect that the Naval Academy and my service in the U.S. Navy was good preparation for the career which I eventually chose.

I congratulate the members of the Class of 1978. Although your education from the perspective of an older person has just begun, you have laid the foundation for a career that can be as rewarding and as challenging as any in the world.

As officers in the modern Navy, you will be actors in a worldwide political and military drama. You will be called upon not only to master the technicalities of military science and military leadership but also to have a sensitive understanding of the international community within which the Navy operates.

Today I want to discuss one of the most important aspects of that international context—the relationship between the world's two greatest powers, the United States of America and the Soviet Union.

We must realize that for a very long time our relationship with the Soviet Union will be competitive. That competition is to be constructive if we are successful. Instead it could be dangerous and politically disastrous. Then our relationship must be cooperative as well.

We must avoid excessive swings in the public mood in our country—from eu-

phoria when things are going well, to despair when they are not; from an exaggerated sense of compatibility with the Soviet Union, to open expressions of hostility.

Détente between our two countries is central to world peace. It's important for the world, for the American public, and for you as future leaders of the Navy to understand the complex and sensitive nature.

The word "détente" can be simplistically defined as "the easing of tension between nations." The word is in practice however, further defined by experience, as those nations evolve new means by which they can live with each other in peace.

To be stable, to be supported by the American people, and to be a basis for widening the scope of cooperation, then détente must be broadly defined and truly reciprocal. Both nations must exercise restraint in troubled areas and in troubled times. Both must honor meticulously those agreements which have already been reached to widen cooperation, naturally and mutually limit nuclear arms production, permit the free movement of people and the expression of ideas, and to protect human rights.

Neither of us should entertain the notion that military supremacy can be attained, or that transient military advantage can be politically exploited.

Our principal goal is to help shape a world which is more responsive to the desire of people everywhere for economic well-being, social justice, political self-determination, and basic human rights.

We seek a world of peace. But such a world must accommodate diversity—social, political, and ideological. Only then can there be a genuine cooperation among nations and among cultures.

We desire to dominate no one. We will continue to widen our cooperation with the positive new forces in the world.

We want to increase our collaboration with the Soviet Union, but also with the emerging nations, with the nations of Eastern Europe, and with the People's Republic of China. We are particularly dedicated to genuine self-determination and majority rule in those areas of the world where these goals have not yet been attained.

Our long-term objective must be to convince the Soviet Union of the advantages of cooperation and of the costs of disruptive behavior.

We remember that the United States and the Soviet Union were allies in the Second World War. One of the great historical accomplishments of the U.S. Navy was to guide and protect the tremendous shipments of armaments and supplies from our country to Murmansk and to other Soviet ports in support of a joint effort to meet the Nazi threat.

In the agony of that massive conflict, 20 million Soviet lives were lost. Millions more who live in the Soviet Union still recall the horror and the hunger of that time.

I'm convinced that the people of the Soviet Union want peace. I cannot believe that they could possibly want war.

Through the years, our Nation has sought accommodation with the Soviet Union, as demonstrated by the Austrian Peace Treaty, the Quadripartite Agreement concerning Berlin, the termination of nuclear testing in the atmosphere, joint scientific explorations in space, trade agreements, the antiballistic missile treaty, the interim agreement on strategic offensive armaments, and the limited test ban agreement.

Efforts still continue with negotiations toward a SALT II agreement, a compre-

hensive test ban against nuclear explosives, reductions in conventional arms transfers to other countries, the prohibition against attacks on satellites in space, an agreement to stabilize the level of force deployment in the Indian Ocean, and increased trade and scientific and cultural exchange. We must be willing to explore such avenues of cooperation despite the basic issues which divide us. The risks of nuclear war alone propel us in this direction.

The numbers and destructive potential of nuclear weapons has been increasing at an alarming rate. That is why a SALT agreement which enhances the security of both nations is of fundamental importance. We and the Soviet Union are negotiating in good faith almost every day, because we both know that a failure to succeed would precipitate a resumption of a massive nuclear arms race.

I'm glad to report to you today that the prospects for a SALT II agreement are good.

Beyond this major effort, improved trade and technological and cultural exchange are among the immediate benefits of cooperation between our two countries. However, these efforts to cooperate do not erase the significant differences between us.

What are these differences?

To the Soviet Union, détente seems to mean a continuing aggressive struggle for political advantage and increased influence in a variety of ways. The Soviet Union apparently sees military power and military assistance as the best means of expanding their influence abroad. Obviously, areas of instability in the world provide a tempting target for this effort, and all too often they seem ready to exploit any such opportunity.

As became apparent in Korea, in Angola, and also, as you know, in Ethiopia

more recently, the Soviets prefer to use proxy forces to achieve their purposes.

To other nations throughout the world, the Soviet military buildup appears to be excessive, far beyond any legitimate requirement to defend themselves or to defend their allies. For more than 15 years, they have maintained this program of military growth, investing almost 15 percent of their total gross national product in armaments, and this sustained growth continues.

The abuse of basic human rights in their own country, in violation of the agreement which was reached at Helsinki, has earned them the condemnation of people everywhere who love freedom. By their actions, they've demonstrated that the Soviet system cannot tolerate freely expressed ideas or notions of loyal opposition and the free movement of peoples.

The Soviet Union attempts to export a totalitarian and repressive form of government, resulting in a closed society. Some of these characteristics and goals create problems for the Soviet Union.

Outside a tightly controlled bloc, the Soviet Union has difficult political relations with other nations. Their cultural bonds with others are few and frayed. Their form of government is becoming increasingly unattractive to other nations, so that even Marxist-Leninist groups no longer look on the Soviet Union as a model to be imitated.

Many countries are becoming very concerned that the nonaligned movement is being subverted by Cuba, which is obviously closely aligned with the Soviet Union and dependent upon the Soviets for economic sustenance and for military and political guidance and direction.

Although the Soviet Union has the second largest economic system in the world, its growth is slowing greatly, and its standard of living does not compare favorably

with that of other nations at the same equivalent stage of economic development.

Agricultural production still remains a serious problem for the Soviet Union, so that in times of average or certainly adverse conditions for crop production, they must turn to us or turn to other nations for food supplies.

We in our country are in a much more favorable position. Our industrial base and our productivity are unmatched. Our scientific and technological capability is superior to all others. Our alliances with other free nations are strong and growing stronger, and our military capability is now and will be second to none.

In contrast to the Soviet Union, we are surrounded by friendly neighbors and wide seas. Our societal structure is stable and cohesive, and our foreign policy enjoys bipartisan public support, which gives it continuity.

We are also strong because of what we stand for as a nation: the realistic chance for every person to build a better life; protection by both law and custom from arbitrary exercise of government power; the right of every individual to speak out, to participate fully in government, and to share political power. Our philosophy is based on personal freedom, the most powerful of all ideas, and our democratic way of life warrants the admiration and emulation by other people throughout the world.

Our work for human rights makes us part of an international tide, growing in force. We are strengthened by being part of it.

Our growing economic strength is also a major political factor, potential influence for the benefit of others. Our gross national product exceeds that of all nine nations combined in the European Economic Community and is twice as great as

that of the Soviet Union. Additionally, we are now learning how to use our resources more wisely, creating a new harmony between our people and our environment.

Our analysis of American military strength also furnishes a basis for confidence. We know that neither the United States nor the Soviet Union can launch a nuclear assault on the other without suffering a devastating counterattack which could destroy the aggressor nation. Although the Soviet Union has more missile launchers, greater throw-weight, and more continental air defense capabilities, the United States has more warheads, generally greater accuracy, more heavy bombers, a more balanced nuclear force, better missile submarines, and superior antisubmarine warfare capability.

A successful SALT II agreement will give both nations equal but lower ceilings on missile launchers and also on missiles with multiple warheads. We envision in SALT III an even greater mutual reduction in nuclear weapons.

With essential nuclear equivalence, relative conventional force strength has now become more important. The fact is that the military capability of the United States and its allies is adequate to meet any foreseeable threat.

It is possible that each side tends to exaggerate the military capability of the other. Accurate analyses are important as a basis for making decisions for the future. False or excessive estimates of Soviet strength or American weakness contributes to the effectiveness of the Soviet propaganda effort.

For example, recently alarming news reports of the military budget proposals for the U.S. Navy ignored the fact that we have the highest defense budget in history and that the largest portion of this will go to the Navy.

You men are joining a long tradition of superior leadership, seamanship, tactics, and ship design. And I'm confident that the U.S. Navy has no peer, no equal, on the high seas today, and that you, I, and others will always keep the Navy strong.

Let there be no doubt about our present and future strength. This brief assessment which I've just made shows that we need not be overly concerned about our ability to compete and to compete successfully. Certainly there is no cause for alarm. The healthy self-criticism and the free debate which are essential in a democracy should never be confused with weakness or despair or lack of purpose.

What are the principal elements of American foreign policy to the Soviet Union? Let me outline them very briefly.

We will continue to maintain equivalent nuclear strength, because we believe that in the absence of worldwide nuclear disarmament, such equivalency is the least threatening and the most stable situation for the world.

We will maintain a prudent and sustained level of military spending, keyed to a stronger NATO, more mobile forces, and undiminished presence in the Pacific. We and our allies must and will be able to meet any foreseeable challenge to our security from either strategic nuclear forces or from conventional forces. America has the capability to honor this commitment without excessive sacrifice on the part of our citizens, and that commitment to military strength will be honored.

Looking beyond our alliances, we will support worldwide and regional organizations which are dedicated to enhancing international peace, like the United Nations, the Organization of American States, and the Organization for African Unity.

In Africa we and our African friends want to see a continent that is free of

the dominance of outside powers, free of the bitterness of racial injustice, free of conflict, and free of the burdens of poverty and hunger and disease. We are convinced that the best way to work toward these objectives is through affirmative policies that recognize African realities and that recognize aspirations.

The persistent and increasing military involvement of the Soviet Union and Cuba in Africa could deny this hopeful vision. We are deeply concerned about the threat to regional peace and to the autonomy of countries within which these foreign troops seem permanently to be stationed. That is why I've spoken up on this subject today. And this is why I and the American people will support African efforts to contain such intrusion, as we have done recently in Zaire.

I urge again that all other powers join us in emphasizing works of peace rather than the weapons of war. In their assistance to Africa, let the Soviet Union now join us in seeking a peaceful and a speedy transition to majority rule in Rhodesia and in Namibia. Let us see efforts to resolve peacefully the disputes in Eritrea and in Angola. Let us all work, not to divide and to seek domination in Africa, but to help those nations to fulfill their great potential.

We will seek peace, better communication and understanding, cultural and scientific exchange, and increased trade with the Soviet Union and with other nations.

We will attempt to prevent the proliferation of nuclear weapons among those nations not now having this capability.

We will continue to negotiate constructively and persistently for a fair strategic arms limitation agreement. We know that no ideological victories can be won by either side by the use of nuclear weapons.



We have no desire to link this negotiation for a SALT agreement with other competitive relationships nor to impose other special conditions on the process. In a democratic society, however, where public opinion is an integral factor in the shaping and implementation of foreign policy, we do recognize that tensions, sharp disputes, or threats to peace will complicate the quest for a successful agreement. This is not a matter of our preference but a simple recognition of fact.

The Soviet Union can choose either confrontation or cooperation. The United States is adequately prepared to meet either choice.

We would prefer cooperation through a détente that increasingly involves similar restraint for both sides; similar readiness to resolve disputes by negotiations, and not by violence; similar willingness to compete peacefully, and not militarily. Anything less than that is likely to undermine détente. And this is why I hope that no one will underestimate the concerns which I have expressed today.

A competition without restraint and without shared rules will escalate into graver tensions, and our relationship as a whole with the Soviet Union will suffer. I do not wish this to happen, and I do not believe that Mr. Brezhnev desires it. And this is why it is time for us to speak frankly and to face the problems squarely.

By a combination of adequate American strength, of quiet self-restraint in the use of it, of a refusal to believe in the inevitability of war, and of a patient and persistent development of all the peaceful alternatives, we hope eventually to lead international society into a more stable, more peaceful, and a more hopeful future.

You and I leave here today to do our common duty—protecting our Nation's vital interests by peaceful means if possi-

ble, by resolute action if necessary. We go forth sobered by these responsibilities, but confident of our strength. We go forth knowing that our Nation's goals—peace, security, liberty for ourselves and for others—will determine our future and that we together can prevail.

To attain these goals, our Nation will require exactly those qualities of courage, self-sacrifice, idealism, and self-discipline which you as midshipmen have learned here at Annapolis so well. That is why your Nation expects so much of you, and that is why you have so much to give.

I leave you now with my congratulations and with a prayer to God that both you and I will prove worthy of the task that is before us and the Nation which we have sworn to serve.

Thank you very much.

NOTE: The President spoke at 10:42 a.m. in the Navy-Marine Corps Memorial Stadium. In his opening remarks, he referred to Vice Adm. Kinnaird McKee, Superintendent of the U.S. Naval Academy, and Acting Governor Blair Lee III of Maryland.

The address was broadcast live on radio and television.

## Hospital Cost Containment Legislation

*Statement by the President. June 7, 1978*

Today the members of the House Commerce Committee will make their most important anti-inflation decision of this congressional session—whether to vote for a bill which will contain skyrocketing hospital costs. I urge the members of the committee to approve that bill and to work for congressional passage this year.

I proposed cost containment legislation last year to restrain rising hospital costs. These costs have been growing by about 17 percent a year—far faster than the

rate of expansion in the economy as a whole.

The Congressional Budget Office estimates that the cost containment legislation now pending before the Commerce Committee will save at least \$30 billion in hospital expenditures over the next 5 years. It will reduce Federal expenditures for Medicare and Medicaid by over \$8 billion during this period.

Approval of this bill is essential for restraining health care costs. If the legislation I proposed last year had taken effect in October of 1977, our country would already have saved \$2 billion in hospital costs by now. A vote against the bill is a vote against putting the brakes on runaway health inflation. A vote for this bill is a vote against inflation.

Powerful special interests will oppose any bill to fight inflation. This is certainly true for hospital cost containment, with intense lobbying against this needed legislation continuing up to the last minute. I am confident, however, that the members of the Commerce Committee will overcome these pressures and will take this crucial step to help all Americans fight skyrocketing hospital costs and rising inflation.

## Community Investment Fund Program

*Remarks at a White House Meeting on the Program. June 8, 1978*

We have a very distinguished group here this morning, and I want to thank all of you for coming from different parts of the Nation, from different agencies in the Federal Government, representatives of the private lending sector, and representatives of volunteer groups, counties, cities, States.

When we evolved, with careful consultation among all of us, a new cohesive

and, I think, adequate national urban policy, the main point we made was that it would be a new partnership, that the close working relationship and the consultation that evolved the policy itself would be continued in the future in its implementation.

One of the key elements of this partnership, which was, perhaps, not adequately emphasized at the time of the urban policy description to the public, is among the independent financial regulatory agencies in the Federal Government. And this morning, just for a few minutes, I'd like to outline some of the important progress that we have made already, and I hope this will be a basis for even greater future progress.

The Federal Home Loan Bank Board, under Bob McKinney's chairmanship, has evolved a \$10 billion Community Investment Fund. This is derived from funds that are within the Federal Home Loan Bank system itself. These are not appropriations from Congress, but the effectiveness of them is just as great, perhaps even greater. Because they will be administered on a regional basis, there's a very tight-knit and effective administrative structure already in place in the private sector of our economy, and the knowledge of local needs is extensive and profound.

I'm very proud of this. These funds will be a supplement to normal moneys available for lending now. They will be concentrated on reinvestment in areas in our urban communities which are badly in need of stimulation, revitalization, of community beautification, financial consultation, the construction of low- and moderate-income housing. Just exactly what's needed in the extensive urban policy to reconstitute the vitality of our deteriorating neighborhoods in this country is what this fund will be used for. I'm very grateful for it, and I believe it will be a major step in the right direction.

I might say in addition that the

Comptroller of the Currency and the Federal Home Loan Bank Board and others have combined already to eliminate the adverse consequences of redlining practices. This is a dampening policy on many areas of our Nation that need to be improved. And I think the coordinated study of the problem of redlining has resulted in a great step forward.

Lending institutions who don't want to see their loans lost, who want to minimize defaults, I think, have been adequately heard, and their voices have been part of a very major step toward minimizing redlining.

I'd also like to comment, in closing, on what other regulatory agencies are doing in the financial realm of our Nation. The Comptroller of the Currency has moved to implement a program, similar to the one I've just described, for the thrift institutions in the commercial banking community. The Federal Reserve Board Chairman, Bill Miller, has called publicly for increasing the number of minority citizens, women, representatives of consumer groups, labor, on the boards of the regional Federal banks. And in the Federal Reserve System, this will be a very constructive move. I think that it won't reduce the substantiality and the conservatism and the caution with which our banking system is run. But I think much more enlightened, much more progressive, I think much more sound loan policies can evolve if there's a clearer understanding among those who shape policy of the needs for people who in the past have been excluded.

As you know, Bill Miller has also called for the construction of any new buildings to be located in the areas that are served and which sometimes are tending toward deterioration because they are ignored in the rapid move toward suburbs and more rapidly growing areas. Quite often, the stability of neighborhoods that are in

danger of deterioration has been threatened because the very institutions designed to help them move their centers of concentrated attention and presence away. And I think that this is also a step in the right direction.

The Chairman of the Federal Deposit Insurance Commission [Corporation], FDIC, has also evolved a new policy to check compliance with fair housing standards and to emphasize consumer protection. And all these efforts are in consonance, one with another.

Credit unions, in some instances, are badly needed in the neighborhoods that are foremost among those that create concern. An administrator of the National Credit Union Administration is now attempting to analyze on a nationwide basis those communities that can profit from credit unions and institute chapters there which might be both a stabilizing and a constructive step forward.

So, this morning we are very pleased at the Federal Home Loan Bank Board's making available to the public a supplementary opportunity for \$10 billion in new loans, and I'm also very thankful that the other regulatory agencies concerned with the financial structure of our country are cooperating as enthusiastically as they can.

We've only had a few weeks, as you know, since the urban policy was revealed. And this progress that we have outlined this morning—I hope it will be just first steps in a concerted, sustained, sometimes even nonpublicized effort to make our Nation a greater one than it already is and to make sure that our urban policy is successful because of the new partnership to which I, as President of our country, am totally committed.

Thank you very much.

NOTE: The President spoke at 9:30 a.m. in Room 450 of the Old Executive Office Building.

## Department of State

*Nomination of Viron P. Vaky To Be an Assistant Secretary. June 8, 1978*

The President today announced that he will nominate Viron P. Vaky, of Corpus Christi, Tex., to be Assistant Secretary of State for Inter-American Affairs. Vaky would replace Terence A. Todman, who has been appointed Ambassador to Spain. The President also announced that he will nominate Vaky to be a member of the Board of Directors of the Inter-American Foundation.

Vaky was born September 13, 1926, in Corpus Christi. He received a B.S.F.S. from Georgetown University in 1947 and an M.A. from the University of Chicago in 1948. He served in the U.S. Army from 1944 to 1946.

Vaky joined the Foreign Service in 1949 and served in Guayaquil, Buenos Aires, Bogotá, and at the State Department. From 1964 to 1967, he was Deputy Chief of Mission in Guatemala, and in 1967 and 1968, he was on the Planning and Coordination Staff at the State Department.

In 1968 and 1969, Vaky was Deputy Assistant Secretary, then acting Assistant Secretary of State for Inter-American Affairs. He was on the National Security Council in 1969 and 1970. From 1970 to 1972, he was diplomat in residence at Georgetown University.

Vaky served as Ambassador to Costa Rica from 1972 to 1974 and Ambassador to Colombia from 1974 to 1976. Since 1976 he has been Ambassador to Venezuela.

## Advisory Council on Historic Preservation

*Appointment of James W. Haas as a Member. June 8, 1978*

The President today announced the appointment of James W. Haas, of San Francisco, as a member of the Advisory Council on Historic Preservation for a term expiring in 1983.

Haas, 36, is an attorney with the San Francisco firm of Graham & James. Since 1973 he has been vice president and director of the Foundation for the Preservation of San Francisco's Architectural Heritage.

## Anti-Inflation Policy

*Remarks on the Administration's Anti-Inflation Policy. June 8, 1978*

The most serious problem that our Nation has is inflation, and it's getting worse. It's absolutely imperative that Americans commit themselves, all of us, to a common sacrifice to control this rapid increase in prices.

I don't think it's going to be effective to ask other Americans to join in this effort for their own benefit unless the Congress, the President, and the entire Federal Government is willing to set an example here in Washington.

The Congress is now considering, for instance, legislation to control hospital costs. There has been an enormous increase in profits by people who own and operate private hospitals. Costs have been going up 17 percent a year, more than twice as rapidly as the cost of other products and services in our country.

Because of these enormous profits, lobbying pressures on the Congress are also enormous. But this is a tangible effort that, if successful by the Congress, can save consumers in our country, those who need medical care, \$30 billion in the next 5 years, and can save in Federal expenditures billions of dollars in the cost of Medicaid and Medicare.

The budget that I submitted to Congress that was prepared last November and December has a deficit of about \$60 billion. We've cut it down now to \$53 billion by proposing a lower tax reduction. It's still too high. And still, there's pressure in Congress to increase spending unnecessarily.

I'd like to give one example. In education, we had a 24-percent increase in the educational budget in the proposed expenditures for next year compared to the current year. Still, the Congress wants to increase this more. In basic opportunity grants for college students, we advocated an increase of 47 percent as an alternative to tax credits for tuition. That's a \$1.1 billion increase. Now the Congress wants to add several hundred million dollars more, completely excessive and threatening to unbalance the budget even further.

In defense spending, we had a \$126 billion budget, the highest in history, carefully planned by me, the Defense Department leaders, and others. The Congress—the House has now voted to build a nuclear aircraft carrier which is not needed and which will cost \$2½ billion.

We presently have a great shortage of beef in our country. Because of this shortage, which is going to continue for the next 3 or 4 years, beef prices already this year, since the first of January, have increased more than 35 percent. We have a lasting shortage of lean beef, used primarily for hamburger, and which is to be

mixed with the trimmings from the fat cattle produced in our own country.

The Secretary of Agriculture has decided to negotiate to permit carefully controlled, modest increases in beef imports over the next year or so. This will not change the price of fat cattle at all. It will certainly not hurt the farmers who produce beef, but it will be a great help to consumers.

Another administrative decision that is being made now is in OSHA, the Occupational Safety and Health Administration. We want to control cotton dust in textile mills. Originally in 1976, a proposal was made to do this that cost \$2.7 billion in investments of about \$600 million a year. We've now worked out, after very careful planning and cooperation, a way to control this threat to the health of workers in textile mills, but with a greatly reduced overall cost.

The point I'm making is that there is not just one single action that can be taken or avoided to control inflation. It covers literally dozens, even hundreds of individual decisions made by me, the Congress, and the private sector of our economy. It absolutely must be done. It's not easy to go against hospitals, to go against doctors, to go against students, to go against farmers, to go against veterans, to go against the building of highways or the building of nuclear aircraft carriers. But someone has to hold the line on the budget, and I'm determined to do so. This is one of the most important and difficult decisions that we'll have to make, and there are literally hundreds of decisions to be made. And I call upon the Congress to join in with me to avoid a series of vetoes that will create disharmony in our Government.

I call on the private sector to join in and not mount intense lobbying efforts to

control some privilege that they have in setting unnecessarily high prices. And I will do my part. I believe the American people will understand the need for it, and I'm perfectly willing to take the political consequences when people are dissatisfied with the requirement of having to make some modest sacrifice of their own.

This afternoon, Bob Strauss and Bob Bergland will explain some specific actions that we have been taking and will be taking. And I believe that it is important for the American people to understand that this is a great challenge to us, but it's extremely important. And I believe that there will be approbation or approval among American people if we adhere to the principles that I've described briefly this afternoon.

Thank you very much.

NOTE: The President spoke at 3:35 p.m. to reporters assembled in the Briefing Room at the White House. Following his remarks, Secretary of Agriculture Bob Bergland and Ambassador Robert S. Strauss, Special Representative for Trade Negotiations, held a news conference on the increases in beef imports.

## New York City Financing Legislation

*Statement on House Action Approving  
Guarantee Legislation. June 8, 1978*

I am extremely gratified by the responsible action of the House of Representatives in approving guarantee legislation which will assist New York City in meeting its financing needs.

I believe that the overwhelming House majority reflects its awareness of the progress that the city has made, as well as its recognition that the city's financing problems require a permanent solution.

It is my strong view that the enactment of the legislation supported by the administration is the appropriate course to avert long-term Federal dependency and restore New York to financing self-sufficiency.

## National Council of Senior Citizens

*Remarks at the National Council's  
Convention. June 9, 1978*

Good morning. My good friend Nelson Cruikshank and I rode over together, and he described to me the history of this remarkable organization. I want to say to Jim Carbray that I'm very grateful to be here to speak to you this morning from the perspective of the President of our great country.

A while back I got a letter from a very young student who said, "Mr. Carter, you have been in office for a few months now. Would you rather be President or a real person?" [Laughter]

As I prepared to come over here this morning, I thought about that, because quite often the same thing could be said about those who have retired. "Would you rather be a retired citizen or a real person?" And the essence of our relationship with one another, as the leader of our country, and as an outstanding member of our society, President on the one hand, you on the other, is that we are real people. We relate to one another as individuals. We are different from one another. And there is no automatic, sharp transition in a person at the time of retirement. You're not one person the day before retirement; you're not a different person the day after.

And what I'd like to say this morning is that our country recognizes the tremendous contribution that all of you collectively have made. We've not always repaid that debt adequately. But at the same time, in the repayment of that debt, in the repair of oversights, we must remember the individuality of human beings, even those who have reached retirement age.

We've made a lot of progress in the last 15 months or so, 17 months. Nelson

Cruikshank has been at my right hand every time I've made a major decision about any matter in the Federal Government, constantly reminding me how this decision might affect those who have reached the status of senior citizenship in our country.

We've undertaken and successfully resolved one of the major problems, and that is to make sure that social security is sound, that it does not go bankrupt, and that it will retain that status for the rest of the lives of everyone who's in this room.

Just as a short while ago I was campaigning throughout the country, as some of you remember, for 2 years, and I would make a short 15-minute speech, and I would answer questions. And almost invariably the first question that came from a senior citizen would be, "What is going to happen to the social security system?" And I think it's good for us to look back on what the Congress has done in a very courageous way, because there have been intense pressures put on the Congress not to take action to protect the social security system, but then after the bill was passed, to undo what had been done.

And I would like to ask all of you to take the time in the next week to write your Member of Congress a note and say, "I'm not just demanding that you do something in the future, I want to thank you for what you did last year," because this would help them so much to recognize that their action, courageous as it was, was also needed and is also appreciated by you.

As you well know, we have also taken action within the last year to remove the mandatory retirement age, to let this be a decision made by American citizens themselves and not by an arbitrary imposition of regulations in the Federal Government. And we are moving to remove that restraint in the private sector as well, so that productive Americans will not have to

retire until you and they are ready to do so, a major step in the right direction.

I think you know that [Representative] Claude Pepper is here, and he worked on this for years and years very successfully. Thank you, Claude.

I'm not going to outline for you a record of all the action that the Congress has taken in the last year and a half or that I have taken through administrative action or that the different heads of departments have taken. But I want to point not just to the past but to the future.

We have some major challenges ahead of us. We've evolved now a clear description of what a comprehensive urban policy ought to be, how to deal with deteriorating neighborhoods, how to make sure that American people have a chance to live a fruitful and enjoyable and a secure life. Because if there are three characteristics that are mandatory for any of us, no matter how young or how old we might be, first of all, it's to be secure, to recognize that our home, our community, our very lives, our property are protected financially and physically.

The second thing we want is to have a chance to expand our lives, to have a bigger heart to encompass new friends, to have a bigger mind to learn more about the world that God gave us. And the educational process ought not to stop when we graduate from college or even when we start a new career or when we finish a new career, because there are people in their seventies and eighties, as you know, who still have a dynamic approach, not just to today but to tomorrow. And that is an element that needs to be emphasized in our lives.

We have a challenge before us in the financial structure of our country, and you can help play a major role in shaping the policies of our Nation.

The most serious problem that I have, the most serious challenge that faces us, is

to control inflation. It's bad; it's getting worse; and it's going to require some sacrifice on the part of American people.

One of the most serious threats is in the rapidly escalating cost of hospital care. The Congress is now facing another very difficult decision. As you know, the profits of privately owned hospitals have been leaping year by year. The costs of hospital care have been going up 17 percent annually, doubling every 5 years, much greater than the costs of the goods and services they have to pay for in providing medical care.

We have a very close vote coming up in the House Commerce Committee soon. It's going to be a difficult vote on the House floor, the same thing in the Senate, because there are tremendous profits involved and tremendously effective lobbying efforts being made not to do anything to interfere with the rapid costs of hospital care. Quite often medical doctors own part of the hospitals themselves. And patients are put in the hospital quite often when they can very well be served with outpatient care or a shorter stay in the hospital.

Services are provided quite often that are not needed. There's a much greater incidence of long-term hospital care, surgery, in the Northeast than there is in the South or the West. And we are trying to do everything we can to control these heavy burdens on retired people particularly, who quite often have to pay for a major portion of their health care. And we need your help in this respect.

We want to protect consumers. We want to have a good tax program, and I particularly appreciate your good help in this respect. If our tax reform proposals can go to the Congress—and again, it's a very tough battle—a million present retired taxpayers will have to pay zero income tax. In addition to that, the tax system will be simpler and also much more

fair. If we can get hospital cost containment passed through the Congress, it will lay a good groundwork to implement our commitment for a comprehensive national health care system. You can help with this as well.

I would like to make an additional appeal to you. I recognize that in an organization like yours, there are many strong and dedicated voices and that one of your primary responsibilities is to protect the special needs of retired American citizens. But I've been particularly impressed with you in your willingness to broaden your interests and your influence and your contributions to cover the whole scale of issues that are important to American people of all ages.

You have helped me, for instance, with the Panama Canal Treaty vote, a very difficult political undertaking, the most difficult political assignment I have ever had, even including my campaign for the Presidency itself. And when I asked for your help to strengthen the reputation of our own country as the protector of human rights, to make sure that we had an image that was accurate in Latin America and around the world of treating other people as equals, of trying to strengthen our ties with the small, weak, developing nations, to be fair in dealing with the small nation of Panama, you added your strength and your support and your voice to a proposition that doesn't directly help you with your income or with your life, perhaps, as an American citizen. But because you wanted our Nation to be great in all respects, you came forward and gave me your support. And I know that you're doing the same thing to support our efforts to have a SALT agreement, to remove the threat of nuclear war from the world.

You are strengthening our effort here and in other parts of the world for human rights. You're interested in having a comprehensive energy bill passed through the



Congress. And there are many other aspects of American life that apply across the board to all our citizens for which you have dedicated your influence, your time, and your very unselfish commitment. This, I believe, in the long run will greatly strengthen the influence of the National Council of Senior Citizens. And this, I believe, will give an image to the rest of the country, an accurate image of how unselfish you really are.

I want to be sure that all of you live not only a secure life, one dedicated to constant education and expansion of your minds and hearts that I've already described, but one that is productive. There is no reason why someone who has finished a business or professional career can't live an even greater, broader, more productive life when the years of retirement arrive. You have much greater flexibility in making your own decisions. You have more free time to broaden your interests and your influence. And this can be the kindling of an expansive life for every one of you.

The fact that you have saved up and earned enough money to come here to this convention is an indication that you already agree with me. But I would like to ask you in the future to continue this great contribution that you are already demonstrating as part of your lives, not on a national basis, not even to come to Washington for an exciting meeting of your own, but where you live. Whether you've retired and gone to California or Florida or Arizona or Georgia, or whether you've decided to stay with your own families and friends, there is an opportunity for greatly expanded service that I know will appeal to each one of you.

There is a chance to serve those who are mentally ill. It doesn't take professional training in medicine to volunteer your services to go into the centers in the community or to work with individuals to

make sure that they have a chance to know that their lives are significant, that they're appreciated, that they're understood. This is important to them. It's important to you.

As you look around you in your own community, there are many people, many families much less fortunate than you are. They may not speak English very well. They may not have been in this country very long. All of our ancestors almost were in the same circumstance in years gone by.

There may be a time when they don't feel that they have a single staunch, dependable friend in the community. And it would not be difficult for you through your labor organizations, through your churches, through your civic commitments, to identify a particular family. You may not ever be thanked for it, but you could go and visit that family, get to know the father, the mother—they're retired people perhaps—the children that have problems with the law or in school, and just let them know that you are their friend. And if they do have a problem with the educational system, you could learn what it is, and with your own influence, with your own status in the community, go to the education officials and say, "I know that these poor people who live near me don't have the same opportunity that my children have had or that I had or that most do have." And you could be a voice for a single family; in the process, greatly expand your understanding of people who were deprived and are deprived in our society today.

There is an opportunity through volunteer work for you in effect to adopt as a friend some person who has been in prison, perhaps a young person who's now been paroled or placed on probation. Quite often the reasons for their earlier crime is that they are alienated from society. They don't have an access to the stable part,

the productive part, the enlightened part of the American community. And working with qualified officials, you could say, "Let me be responsible as kind of a big brother or a big sister just for one person, and I'll try to understand what I can do for them."

Your community, whether it's a very small town like where I lived or the largest cities in the world, need help on a voluntary basis for repairing some of the deteriorating conditions of it. When you go back home, I would hope that you would look around your community with a quizzical eye, a critical eye, and say, "What could I do to make my community a more pleasant place to live? What can I do to make it more beautiful?" And it wouldn't take but four or five people to make a real impact on an entire community or city.

If one block in a deteriorated neighborhood, or sometimes even one house in a block, was beautified by your effort or perhaps your organization, it could set an example that would make the neighbors kind of ashamed and sweep an entire area with a recommitment to be proud of where one lives.

Teachers aides are needed, and I think one of the particular things that you can do as natural leaders, demonstrated by your presence here, is to look among your own peer group, other retired citizens who might be more timid, not well educated, not in good mental or physical health, not quite so affluent as perhaps some of you, and say, "What can I do to expand my own beneficial influence among those like myself who have reached the age of retirement and don't have as vigorous a life and as productive a life as I've carved out for myself?"

I'd like to add one other point that I think is important, and that is that many of you are fully qualified to have an extensive, continuing career. On the way

over here in the car, I thought about a few people that have been very impressive to me and very helpful to me. I've already mentioned Nelson Cruikshank, who is working full time, putting in as many hours and is as productive as anyone in the Federal Government.

Esther Peterson, on my staff, far beyond the so-called retirement age, has certainly not retired. And she has shaped the consciousness of a President, and she's shaping the consciousness of a Congress. And four or five times a week, she leaves Washington to go to a major convention or major urban center to spell out the need to protect consumers against being cheated or robbed in the American free enterprise system. She works closely with the heads of major businesses. And this has given a new life and a new stimulus to the entire consumer movement.

I talked about the Panama Canal Treaty earlier. Ellsworth Bunker, a man, I believe, in his eighties, for the last 13 or 14 years, calling upon his superb mind, his sound judgment, his clear ability to analyze a complicated issue, and his good negotiating capabilities, has hammered out an agreement mutually beneficial to Panama and to the United States.

Averell Harriman is a man who's still a senior counselor for me, who understands the special character and consciousness and attitudes and beliefs of the Soviet Union, who knows their leaders, who knows the leaders in Great Britain, in Yugoslavia, and China. And when I have a very difficult decision to make in foreign affairs, I turn to him and say, "Governor Harriman, what do you think we ought to do in this situation?" These are the kind of people who mean a lot to me.

And I can't go down the list without commenting on two people that, perhaps among all those who presently live, have had the most impact on my life. One of

them is Admiral Hyman Rickover. This year he's 77 years old, still dynamic, vigorous, aggressive. He is *the* man among all those who live on Earth who had the clearest picture of what peaceful use of atomic power could do for the world. And as a young naval officer, I worked under him, and he helped to shape my life. He still feels accurately that what he's doing as a full-time professional naval officer is helpful to our country.

Two days ago, I made a speech at the U.S. Naval Academy. Admiral Rickover is a graduate of there, as am I. And I, as a matter of courtesy, called up Admiral Rickover and asked him to ride over with me on the helicopter to sit there with me while I made my speech. He said, "Mr. President, I'll do anything that you order me to do, but," he said, "I believe that my work for the U.S. Government and the Navy is much more important than going over to listen to you speak." And this is typical of his attitude and his commitment and his competence.

And the last person I would like to mention is a former Peace Corps volunteer whom I know quite well, my mother, Lillian Carter.

Mother was born in 1898. And my father died when mother was almost 60. She had been a registered nurse. And it was a very good opportunity for her to retire. She would have had a pleasant life in a small town, but after 2 or 3 months, my mother began to see opportunities for involvement in local and statewide and regional and then national and international affairs that stretched her mind and stretched her heart.

At this time, she's a younger person than I am. And never does a day go by that mother doesn't get up in the morning, as do many of you, and say "What

can I do this day to make my life more meaningful, to show other people that I care for them, and to learn more about the world in which I live?"

She's a very aggressive person. She speaks her own mind, and I might say that not only the President but other people listen. And she will soon be going over to Italy to receive an award for the person who's done the most, in their opinion, for alleviating world hunger and for demonstrating to people in the more wealthy nations that there are deprived people on Earth who need a helping hand and an open heart.

She'll be coming back through the Sahara region of Africa, if her present plans go well, visiting perhaps several countries there, a part of the world that at the present time, because of drought, is perhaps the most poverty stricken and hungry in all the Earth.

Well, I could go on and on, naming many of you assembled in this audience. But the point I want to make is that your ability and your talents and your sound experience and your judgment and your political influence are a resource in this country that we cannot afford to waste.

I need you, the Nation needs you, and I would like to ask all of you, in closing, not to dwell upon the past, but to look to the future with a bright and open heart, not just thinking about ourselves but thinking about and supporting the principles and the greatness of America, the country that we all love.

Thank you very much.

NOTE: The President spoke at 10:02 a.m. in the International Ballroom at the Washington Hilton Hotel. In his opening remarks, he referred to Nelson Cruikshank, Counsellor to the President on Aging, and James Carbray, president of the National Council of Senior Citizens.

## Father's Day, 1978

*Proclamation 4574. June 9, 1978**By the President of the United States  
of America***A Proclamation**

Today's fathers face new challenges as America changes. In addition to their traditional role as breadwinner for the family, many fathers are playing a greater role in raising children and in the home. The preservation of America's family structure will, in large measure, depend upon their ability to meet these demands.

To honor our Nation's fathers, and to provide an opportunity to reflect upon their contributions to our society, the Congress, by joint resolution of April 24, 1972 (86 Stat. 124; 36 U.S.C. 142a), has asked the President to issue annually a proclamation calling upon the American people to observe the third Sunday in June of each year as Father's Day.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby request that Sunday, June 18, 1978, be observed as Father's Day. I direct Government officials to display the flag of the United States on all Government buildings on that day and I urge all citizens to display the flag at their homes and other suitable places.

IN WITNESS WHEREOF, I have hereunto set my hand this ninth day of June, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

**JIMMY CARTER**

[Filed with the Office of the Federal Register,  
2:53 p.m., June 9, 1978]

Government in the  
Sunshine Act*Memorandum From the President.  
June 9, 1978**Memorandum for the Heads of Departments and Agencies*

*Subject:* "The Government in the Sunshine" Act: Implementation

The Government in the Sunshine Act requires certain Executive agencies to give notice of their business meetings and open them to public observation unless they must be closed for any of ten specific reasons. If the agency finds that the public interest requires, it must open its meeting to public observation even if there is a reason to close it. The same reasons which permit Executive agencies to close their meetings also permit advisory committees to close theirs.

To evaluate compliance with this Act, I have asked the Director of the Office of Management and Budget to record the number of meetings subject to the Act, to note whether those meetings are open or closed, and if closed, to state the reason for closing them. He will pass this information along to me and to the Congress, recommending whatever actions may be appropriate to meet the spirit as well as the letter of the law.

In litigation under the Act, the Attorney General and the affected agencies must not defend the closing of any meeting unless they can demonstrate that harm would have resulted if an open meeting had been held.

I urge the agencies covered by the Sunshine Act to respect it by opening to the public as many meetings as possible.

**JIMMY CARTER**

## United States Metric Board

*Nomination of Bruce P. Johnson To Be a Member. June 9, 1978*

The President today announced that he will nominate Bruce P. Johnson, of Reno, Nev., to be a member of the United States Metric Board for a 2-year term.

Johnson, 39, is an associate professor of electrical engineering at the University of Nevada. He is a specialist in solid state electronics and devices.

## Washington Bullets Basketball Team

*Remarks at a White House Reception.  
June 9, 1978*

THE PRESIDENT. Is the fat lady here?<sup>1</sup>  
[*Laughter*]

I wish I had thought of that during the 1976 campaign. [*Laughter*] There were a lot of times during 1976 when I thought the ballgame might be over, at least other people did. But I knew the fat lady had to sing.

Well, it's a great honor for me as President of a wonderful country to share the honor and glory by standing on the same stage with a group of men and their supporters and women who have exhibited superb courage, because I think it's accurate to say that at the beginning of the season, most commentators, most analysts didn't think they could win the division championship. I really wish that they could have done it without beating Atlanta, but—[*laughter*—because Atlanta

has gone more than 42 years without a championship.

But it is a great pleasure for me to have all of you here and Wes, and Mr. Pollin, and all of the team. I've been cautioned not to single out any particular player, because I think one of the things that made this remarkable success possible is the fact that it was not built upon a single person. There are obviously stars, and there are obviously those who show that they are the most valuable player in a particular game or even in the great series. But what made this tremendous victory possible for the Bullets is the fact that it was a team effort. And I think that's the basis of a sound, unconquerable spirit that bound them all together.

The team was not fragmented or driven apart by jealousy, nor by an excessive desire for personal recognition. But all the way through there was a realization that only through a common effort and a team effort could this remarkable victory be successful.

The last time Washington had a champion was when Franklin Roosevelt was President. And this is really a hope that I might have brought good luck to Washington. [*Laughter*]

In my desire to be fair, I might say that I have a great respect for Seattle. I know you all do also. And at least Seattle has a racehorse named after them—[*laughter*—so they have something to compensate for it.

But I want to express my admiration on the part of the whole United States for the remarkable achievement that the Bullets represent. And I know that everyone in our country, no matter what basketball team they may have supported at the beginning of the season, share my admiration and my appreciation for this remarkable achievement.

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<sup>1</sup> The President was referring to the remark, "The opera isn't over till the fat lady sings," which was made by Bullets Coach Dick Motta following the fifth game of the Philadelphia-Washington series.

So, thank you for letting me be part of it and thank you for being such wonderful men, such wonderful leaders, such wonderful sportsmen, such a wonderful representation of what our country is.

Thank you again.

BOB FERRY. Mr. President, on behalf of the team and the entire Bullet organization, [it is] a great deal of honor to present a basketball to the President of the United States. This is unreal. [*Laughter*]

MR. MOTTA. Mr. President, I just want to say one thing. I saw your picture this morning on the front page of the paper, catching a Frisbee. And you were so athletic looking, and we had our draft today—I told Bob Ferry to draft you No. 2.

THE PRESIDENT. It's a real honor for me also to welcome back Larry O'Brien. He helped to make the White House and the Presidential administration a subject of admiration when he was here. His relationship to a great President, John Kennedy, and the superb work he did to tie together the White House and the Congress has set a standard for all those who came afterwards. And I know that he has contributed just as much in dealing with the National Basketball Association, and I'm honored just to have Larry O'Brien a good friend of mine, and I'm sure a good friend of yours—although you may not always recognize it. [*Laughter*]

So, Larry O'Brien.

MR. O'BRIEN. Thank you, Mr. President. And I want to simply express the thanks of the National Basketball Association for all of us for the high honor of being here with you today and Mrs. Carter. It's a great privilege.

It's 10 years ago since I was in this building; I walked in here today for the first time in 10 years. And I spent 8 very interesting, sometimes frustrating, as you understand, but good years here some time ago. So, thank you very much on behalf

of all of us in the world of basketball for your kindness, you and Mrs. Carter, in having us here today. Thank you.

NOTE: The President spoke at 5:10 p.m. in the East Room at the White House. In his remarks, he referred to Wesley Unseld, player, and Abe Pollin, owner, Washington Bullets. Bob Ferry is general manager of the team, and Lawrence F. O'Brien, former Special Assistant to President Kennedy, is commissioner of the National Basketball Association.

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### June 4

The President returned to the White House after a weekend stay at Camp David, Md.

### June 5

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Secretary of Labor F. Ray Marshall and a group of Senators to discuss labor law reform;
- the Cabinet.

In a ceremony in the Oval Office, the President received diplomatic credentials from Ambassadors W. S. Karunaratne of the Republic of Sri Lanka, Jose Miguel Barros of Chile, and José Rafael Echeverría of Costa Rica.

The President attended a fiscal year 1980 Federal budget issues meeting in the Cabinet Room at the White House.

The President greeted guests at a performance of the Costa Rican National Youth Symphony Orchestra held on the South Grounds of the White House.

*June 6*

The President met at the White House with:

- Dr. Brzezinski;
- Adm. Stansfield Turner, Director of Central Intelligence, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski.

*June 7*

The President met at the White House with:

- Dr. Brzezinski;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- the Democratic congressional leadership;
- Senator Daniel Patrick Moynihan of New York.

*June 8*

The President met at the White House with:

- Dr. Brzezinski;
- Secretary of State Cyrus R. Vance, Secretary of Defense Harold Brown, Gen. David C. Jones, USAF, Chairman of the Joint Chiefs of Staff, Dr. Brzezinski, and Senators John C. Stennis of Mississippi and John H. Chafee of Rhode Island;
- a group of State Democratic Party chairmen;
- President Leopold Sedar Senghor of Senegal;
- Mrs. Carter, for lunch;
- Mr. Moore.

The President and Mrs. Carter hosted a picnic for members of the White House staff on the South Grounds of the White House.

The President attended a reception for members of the Democratic National Committee in the East Garden at the White House.

*June 9*

The President met at the White House with:

- Vice President Walter F. Mondale, Secretaries Vance and Brown, Dr. Brzezinski, and Mr. Jordan;
- Mr. Moore;
- Egyptian War Minister Muhammad 'Abd al-Ghani al-Jamasi;
- a group of editors and news directors (transcript will be printed next week).

The President attended a meeting on the fiscal year 1980 Federal budget in the Cabinet Room at the White House.

The President left the White House for a weekend stay at Camp David, Md.

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#### **NOMINATIONS SUBMITTED TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

##### **Submitted June 5, 1978**

PAUL F. MURRAY, of Rhode Island, to be United States Attorney for the District of Rhode Island for the term of 4 years, vice Lincoln C. Almond, term expired.

##### **Submitted June 7, 1978**

EDWARD L. MARCUS, of Connecticut, to be a member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1980, vice Herbert Salzman.

LOUIS H. POLLAK, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania, vice A. Leon Higginbotham, Jr., elevated.

**NOMINATIONS—Continued**

**Submitted June 7—Continued**

JOSEPH I. ST. GEORGE, of New York, to be United States Marshal for the Western District of New York for the term of 4 years, vice Edward S. King.

**Submitted June 9, 1978**

VIRON P. VAKY, of Texas, a Foreign Service officer of the Class of Career Minister, to be an Assistant Secretary of State.

VIRON P. VAKY, of Texas, to be a member of the Board of Directors of the Inter-American Foundation for the remainder of the term expiring September 20, 1978, vice William S. Mailliard, resigned.

BRUCE P. JOHNSON, of Nevada, to be a member of the United States Metric Board for a term of 2 years (new position).

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**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released June 6, 1978**

Fact sheet: Federal water policy

News conference: on Federal water policy—by Secretary of the Interior Cecil D. Andrus and Stuart E. Eizenstat, Assistant to the President for Domestic Affairs and Policy

Announcement: nomination of Louis H. Polak to be United States District Judge for the Eastern District of Pennsylvania

Announcement: nomination of Joseph I. St. George to be United States Marshal for the Western District of New York

**CHECKLIST—Continued**

**Released June 7, 1978**

Advance text: address at the U.S. Naval Academy commencement exercises

News conference: on cotton dust regulations—by Charles L. Schultze, Chairman of the Council of Economic Advisers

**Released June 8, 1978**

News conference: on the Community Investment Fund program—by Robert H. McKinney, Chairman of the Federal Home Loan Bank Board

Fact sheet: meat imports

News conference: on the increase in beef imports—by Secretary of Agriculture Bob Bergland and Ambassador Robert S. Strauss, Special Representative for Trade Negotiations

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved June 5, 1978**

H.R. 9005 ----- Public Law 95-288  
District of Columbia Appropriation Act, 1978.

S. 2370 ----- Public Law 95-289  
An act to remove the limitation on the amount authorized to be appropriated under the Volunteers in the National Forests Act of 1972.

H.R. 11662 ----- Public Law 95-290  
An act to provide for the establishment of the Lowell National Historical Park in the Commonwealth of Massachusetts, and for other purposes.



# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, June 16, 1978

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## Interview With the President

*Remarks and a Question-and-Answer Session  
With a Group of Editors and News Directors.  
June 9, 1978*

THE PRESIDENT. I apologize for interrupting your meeting. [*Laughter*]

What I'd like to do very briefly is to outline some of the questions that face me at this moment that are both time-consuming and also of importance to our country, and then spend what time we have available answering your questions.

### ADMINISTRATION POLICIES

I think the overriding concern that I have is about inflation. It's very bad, getting worse. And I don't think yet we've marshaled an adequate degree of support in the Congress or around the Nation to join in a concerted effort to control this threat to the economic structure and stability of our country.

Whenever a tangible, specific effort is made to control inflation, it always touches a very powerful constituency group, sometimes quite benevolent in nature, sometimes, perhaps, otherwise.

I think the primary thing that the Congress can do this year in positive legislation is to pass the hospital cost contain-

ment bill. We've seen hospital costs go up almost like a skyrocket the last few years and profits along with it.

The average costs have gone up about 17 percent per year, which is between two and three times as much as the average increase in costs for services and supplies that the hospitals have to buy.

As you know, many of these hospitals are tightly controlled, both by private investors, also by medical doctors who supply the patients for them and who determine the level of care to be derived. And I think that some control over these costs is imperative. The lobbying effort against this legislation is formidable, and the issue is in doubt.

We are also trying to provide some mechanism by which we can control and make the Federal bureaucracy more effective, to manage it better. We have civil service reform legislation before the Congress, also reorganization plans. The difference is that the legislation requires positive action by Congress.

The reorganization plan goes into effect automatically if the Congress doesn't take adverse action within 60 days. I think we have a fairly good prospect for getting this passed. It will give the very fine, competent, dedicated, loyal, sometimes self-sac-

official, public employees a chance to perform their work better. We could recognize excellence of performance and dedication and also have more flexibility in making their jobs more effective for the Government. If there are instances of inadequate performance, it gives us a chance to chastise or discharge that employee or transfer him to a more productive position.

We have taken some administrative actions. We've been considering for quite a long time now, several years in fact, how to control cotton dust in the air and textile mills. And I think we've now worked out a very good compromise position which still adheres strictly to the proposition that workers ought to be protected from cotton dust levels and at the same time would have a minimal adverse economic impact on the textile industry, which is already under severe strain from excessive imports.

So, we're getting into the regulatory business with inflation impact a major factor. But we're very desperately trying—and I think we will succeed—in not endangering workers' health, not endangering the quality of our environment on environmental standards, and trying to get the Government as much as possible out of the role of unwarranted regulation of the private enterprise system.

We've gotten good support and cooperation from business and labor. As you know, the Retail Clerks (Union)<sup>1</sup> the other day endorsed our deceleration plan. Several of the major industries in our country have done so, General Motors, A. T. & T., and so forth, volunteering to hold down executive salary increases and also to have their prices be less in this year than they were on an average for the last 2 years, the price increases.

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<sup>1</sup> Printed in the transcript.

I've taken administrative action yesterday to renegotiate beef import levels, which I think is very important to our country. We have a shortage of lean beef in particular. And in order to market existing trimmings from our very fat beef that we grow in our country, in grain-fed cattle, we need to have this importation of lean beef.

So, the State Department, working with the Agriculture Department, will negotiate to get an increased level of lean beef imports. This will help the consumers; it won't hurt the American farmers, because there is a worldwide shortage of livestock now—in particular, beef.

The other point I'd like to make is a general one, and that is we are going to have to hold the line on the budget. And I presented a very adequate budget to the Congress, prepared back in November and December, when the prospect of inflation was not nearly so alarming. The Congress has been inclined to take these adequate proposals and expand them considerably over a broad range of interests—education, labor, defense, agriculture, transportation, health, and so forth. And this has got to be controlled.

And I believe that you can see the necessity for me to deal firmly with the overall impact of inflation, because if I don't, I don't think anyone will. And I think any one of these proposals, if examined alone, could be justified: increased spending for transportation, increased spending for defense, increased spending for the handicapped, increased spending for college student aid programs, increased spending for agriculture, and so forth.

Briefly, on foreign matters, we are still working toward some settlement of the Mideast dispute. I will be delivering or exchanging the treaty documents with

Panama next weekend, the Panama Canal Treaty.

We are negotiating on a daily basis with the Soviet Union on a SALT II agreement. I think the prospects, as I said a couple of days ago, are good. We have narrowed down the difference to a very small number of items, still very significant. We don't see the end in sight yet.

The comprehensive test ban negotiations between ourselves, the Soviet Union, and Great Britain are making good progress. We've just recently initiated talks with the Soviet Union on two important items. One is to limit the sale of conventional weapons to other countries, and the other one is to prohibit the attack on peaceful satellites by either the Soviets or us or to develop that capability.

We are quite concerned about Africa. Our Nation has had a late-blooming interest in Africa. I think it's true that 2 or 3 years ago we had very little interest there. But we have strengthened our ties of friendship, trade, understanding, communication with many of the African leaders who in the past looked on our Nation with great concern or distrust. I think this is a step in the right direction.

And, of course, we had a notable success last week in putting together a very strong recommitment of our Nation to the support of NATO. And our allies in that fine organization have reaffirmed their commitment to providing strength. I believe that only through a strong national defense posture can we have enough sense of security among American people to give us a flexibility to negotiate reduction in arms levels on a mutual basis or to deal with our allies with a sense of mutual commitment and partnership.

Well, these are just a few of the items. I could list a dozen or so more. But I think I would prefer to take what time we have available answering your questions.

## QUESTIONS

MAYOR RICHARD G. HATCHER OF GARY;  
PETER F. FLAHERTY

Q. Mr. President, my name is Dennis Schatzman, Pittsburgh Courier. My question is two-fold. One, Mayor Hatcher's recent refusal to accept the position within the White House as one of your advisers raises the question, what is the problem that people like Mayor Hatcher and other notable blacks are refusing this position? Is it because of the fact that they are not satisfied with the amount of power and accessibility that they want in reference to you? If that's the case, what is it they want, and why can't they get it?

And part two, your friend Peter Flaherty is running for Governor in my State and has a very bad image in the black part of Pittsburgh, his native Pittsburgh. If he asked you to come in and campaign for him, would you, for instance, go into the black community and support him? And if you would, what kind of way would you posture yourself in an atmosphere that's quite hostile to Mr. Flaherty?

THE PRESIDENT. To answer your last question first, I would be glad to help Pete Flaherty in any way I could if he requested it, either I or the members of the Cabinet or the Vice President or my wife or family. I think Pete did a good job as mayor; I know him very well. He was occupying one of the most difficult positions in the Nation, that is, the mayor of a major city. And I saw the progress that was made in Pittsburgh. I don't claim that he could meet the needs of all the constituency groups to their satisfaction.

I've also been able to observe Pete Flaherty as he performed as a Deputy Attorney General responsible for the administration and enforcement of the laws of our country, and he performed su-

perbly in protecting minority interests and in every way that could be examined or cross-examined by black groups or any other. So, my confidence in him is very high.

We've not talked to anybody about coming to the White House except Mayor Hatcher. And the first time I ever met him and as far as I ever went with him was to explore the possibility of his coming in in a very tentative way. We didn't offer him a position; he did not refuse it. When I first talked to him on an exploratory basis, he said that he would like to come very much, he would enjoy working here.

He had complete confidence in our administration, which he's repeated since then. But he had obligations in Gary that he didn't think he could leave. And also the legislature there has passed a recent law saying that if he did leave, his successor would not be chosen on an open election basis, but they would be appointed by Democratic precinct chairmen or some sort of an arrangement where the political structure that has been his political enemies in the past would choose his successor. Now, those were the reasons that he gave me.

So, you said a series of blacks have refused to serve. I don't know of any black leader who's refused to serve, because we've only talked to Mayor Hatcher and I've described the essence of the conversation.

#### MAINE INDIAN LAND CLAIMS

Q. Mr. President, I'm Don Snyder from Bar Harbor Times in Bar Harbor, Maine. You were in Maine recently and addressed a town meeting, at which time I felt you demonstrated a sincere concern for the Maine Indians. As you know, we're having a sticky negotiation with two Indian tribes in Maine now that are

claiming ownership of a considerable portion of land and some damages and trespass as well.

Some of the political leaders in Maine today are saying that Maine citizens should not accept a resolution to this problem that is not wholly Federal. In other words, they should not accept a resolution that involves any Maine land or Maine dollars. And insofar as this case might be a harbinger to other cases across the country, would you care to comment about that?

THE PRESIDENT. Well, there's no way that I could comment any further than I did when I was in Maine, and I expressed my position very clearly then. In my opinion, the proposal that was worked out between the Justice Department, the Interior Department, the Indians, and some of the private interests—and with no participation much by the State, because they would not participate; they were invited to do so—I thought was quite reasonable.

Judge Gunter, a distinguished jurist, was the referee, in effect, who made a proposal, and I think that it's a very fair one to the Indians and to the people of Maine. Obviously, this is a political issue in Maine during an election year. And someone running for office for a high position in Maine would naturally be inclined to want the Federal Government to pay all the costs and for the taxpayers of Maine or the property owners in Maine not to pay any. But I think this is a very reasonable resolution of a longstanding problem that has been proposed that would be fair to the Indians and fair to the people of Maine, fair to the private property owners both large and small.

We have obviously nothing to gain politically by trying to inject ourselves into the proposition. We could have just said "hands off" and let it languish in court for years, but this would have pre-

vented in effect any property in that region from even being sold with a clear title. So, because of the best interests in Maine being foremost in our own mind, the Indians', and others', we did propose a solution. I still stand by the fact that the proposal that has been put forward is good, sound, and fair.

FEDERAL AND STATE TAX REDUCTION

Q. Mr. President, Bill Bayer, from Miami. The wins of Tuesday in California concern you, I'm sure. What if Congress comes back and says, "We want a Proposition 13 here with the Federal budget. We want to cut Internal Revenue income tax by one-third, or half," or whatever? And the wins—I'm sure you've heard from Georgia and Florida and you-name-it. What's going to happen?

THE PRESIDENT. I would be greatly surprised. You know, we've put forward a proposal to the Congress to cut income taxes.

Q. But not that much.

THE PRESIDENT. Well, we put forward a proposal to cut income taxes by \$20 billion. The Congress has not been willing to go along with cutting income taxes at all so far. They finally, reluctantly, agreed to consider \$13 or \$14 billion. But our proposal to cut taxes is much higher than the Congress has shown any willingness to accept.

Also, the inclination of Congress is not to cut my budget figures that I proposed, but to increase spending above what we proposed.

So, our main concern about Congress is not unacceptable levels of spending too low, but too high.

Q. Don't you think they're going to get a message from Tuesday?

THE PRESIDENT. Well, I hope so, but we've had one vote in the Congress already that hadn't indicated any substan-

tial decrease. And I would guess that they will certainly get a message.

The Federal Government, as you know, has no role to play with property taxes. This is basically a local thing and up to each individual State to make that decision. I would have been quite concerned, as Governor of Georgia, had the property taxes been cut 50 percent.

Obviously, this is a very good thing for property owners who are economically able to take care of their own needs. The ones who suffer are those who don't own property and those who are more dependent upon government services and have to send their kids to the public schools or have to be more dependent upon other public health services and that kind of thing.

But I think that this is a judgment that has been made by the California people by a 2-to-1 margin. They've spoken very clearly. And I certainly don't have any criticism of what they've done.

I might add one other thing: that our system of federalism has been set up to benefit from this sort of action, which you might identify as experimentation. The States reserve to themselves all the rights that they did not specifically grant to the Federal Government at the time our Nation was formed, plus the Federal Government has gained additional responsibility by Supreme Court rulings since then as they interpreted the commerce clause and others in the Constitution. But this leaves the States with much more responsibility and ability, when new circumstances evolve, to act as test cases.

In addition to this action that the California people have taken, I could point out a couple of others. One, for instance, was in environmental law. The first environmental laws were passed because of local problems with excessive air or water derogation. And the States eventually passed laws, scattered around the Na-

tion—some States, very strict environmental laws, some with no environmental laws or lax ones. Eventually it worked up to the point where the Federal Government, in order to provide some uniformity, passed federal laws.

But the first experimenters and the first innovators were and should be the States. And as the Federal Government observed which States' environmental laws were effective, which ones were not, then we could make a much more sound judgment here in Washington. I was a Governor back in those days.

Another example has been no-fault automobile insurance, where States have tried out no-fault insurance. Some provisions or proposals have worked well; some have not. Now the Federal Government is in the posture of trying to evolve some uniform standards by which no-fault insurance laws could be assessed.

But this is part of our Federal system that gives us a way for 1 State out of 50 to try a new idea to see how well it works. And I think the whole Nation, including myself and the Congress, will be watching very closely in the next few months to see how California deals with it.

As you know, California has a fairly large State budget surplus, which was one of the causes of criticism and concern by the California people—that you would collect more taxes than you needed and hold those taxes in a reserve fund. That created some disturbance. But once that \$4, \$5 billion is spent, then a 50-percent reduction in property taxes is going to be a very difficult reduction to accommodate, because in California, for instance, a substantial part of the welfare costs are paid for by local property taxes. This is not the case in Georgia; we eliminated those while I was there as Governor.

But I think that this is the kind of thing that's going to work a very great challenge to Governor Brown, who's acting, I think, in a very responsible way now, and also to the people in California, because the ones who suffer are the poor and the dependent. The ones who celebrate and who enjoy reduction in property taxes are those who are affluent enough to be property owners. And, of course, that's not just rich people, that's average folks that have been able to buy a home or buy equity in a home.

It's an unpredictable sort of thing, and I think everyone in the country has gotten the message. I certainly welcome this kind of experimentation in our country.

#### ETHICS IN GOVERNMENT

Q. President Carter, I'm Ron De Fatta, KNOE Radio, Monroe, Louisiana. I have a question pertaining to the Korean influence buying scandal. What measures are you taking to ensure that this type of thing will not happen during your administration?

THE PRESIDENT. Well, as you know, this is something that I don't think ever touched the executive branch of Government, so far as I've heard it described. It primarily was an allegation of lobbying efforts within the Congress. We have done everything we could to reveal the facts and also to provide testimony from Mr. Park,<sup>2</sup> who was here and who has been very forthcoming in giving information about what did occur.

He was willing to be examined and cross-examined; he was willing to do this examination with a lie detector in place. As far as we can tell, his testimony was complete and accurate. And all this information has been turned over to the Justice Department, who derived it, and

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<sup>2</sup> Tongsun Park, former Korean lobbyist.

also to the congressional investigating committee.

I think that the best way to deal with this sort of thing is to put a major portion of the financing of congressional elections in the public sector, as they already are now in the Presidential elections, and remove the possibility of unwarranted influence on Members of Congress because of heavy financial contributions. I think the ethics legislation and the public financing law that was proposed last year—and was blocked, as you know, by a Senate filibuster—is a step in the right direction.

And I think citizen groups and others who want the Congress to make decisions based on the merits of an issue, and not because they have some obligation to someone who gave them financial contributions in the past, would be a major step in the right direction—one step, by the way, that I support very strongly.

We have also pushed, as a carrying out of a campaign commitment, very strong legislation on revealing the activities of lobbyists. Now the law is primarily honored in its breach. But I think the new lobbying legislation that's making its way through the Congress will be another step in the right direction. I think public disclosure of the financial status of Members of Congress is another step in the right direction.

Those kinds of things to make sure that the interreaction between both executive officers like myself and my subordinates and the Members of Congress on the one hand, and lobbyists on the other, or major contributors, is the best way to prevent this happening in the future.

#### LABOR LAW REFORM

Q. I am Mel Toadvine, Salisbury Times, Salisbury, Maryland. Mr. President, what do you think your chances are

of getting your labor reform bill through the Senate this year, and how much are you willing to give in to get it through?

THE PRESIDENT. I think the chances are good. As you know, the bill has very strong support in the Congress. The House passed it with a large majority. The legislation is needed; it's very moderate in its nature. I analyze every paragraph or portion of the reform legislation from the point of view not only as President but a small businessman who would have been affected by it.

I think the primary thrust of the legislation is just to make sure that the labor relations act that was passed many years ago can be enforced to expedite the resolution of employee-employer differences by open and free elections—which is the way the labor act now calls for, but which is subverted by unwarranted delays—and also to prevent the punishment of employees who might want to honor or to carry out their legal prerogatives and rights.

The law has some component parts that have been opposed by some people. I think the period of time during which the elections have to be held is somewhat flexible in the minds of the Senators. There's been an amendment already introduced, as you know, to exclude about, I think, 78 percent of all the businesses in the country, the very small businesses. And perhaps there would be some other amendments that the Senators would offer. But I think that with those amendments to be offered to remove the more difficult political aspects of the bill, that it will be passed, and its basic thrust and substance will not be modified appreciably.

Q. Do you believe the charge by American business that it is a push to unionize the Nation?

THE PRESIDENT. No, I don't think it's a push to unionize the Nation.

Q. This is the charge, unionizing America, when today, many times there are many people who are saying no to the union movement, greater numbers than ever before.

THE PRESIDENT. Under the National Labor Relations Act, passed many years ago, workers were given the right to form a union or to organize if they choose, if they choose freely, exercising their own judgment. And this is what the bill does. It doesn't expand that proposition or that principle at all. It just gives them the right that ostensibly has been guaranteed to them over decades in our country.

#### BEEF IMPORTS

Q. President Carter, Gary Watson, the Idaho Statesman, in Boise. Your announcement yesterday on beef brought, predictably, some very negative reactions from farmers and ranchers. And the initial reaction part was that this was just another evidence of a lack of concern by your administration for the West. I'm just curious to get your reaction to this.

THE PRESIDENT. Well, as you know, beef is produced all over the country, including Georgia as well as the West. [Laughter] This is another one of those difficult decisions that a President has to make. And I think we made the right decision.

There is a worldwide shortage of beef. In our country in particular, there will be a shortage of beef for the next 3 years at least, maybe 4 years. The early false news that we were removing all import quotas did have an adverse effect on the futures market. The spot market for farm grown and sold beef actually went up a dollar.

So, I think the beef industry, particularly the farm sale barn level, was not adversely affected, even when many thought that we were going to remove

import quotas altogether. We took a very modest approach to it: to negotiate new beef imports of a particular kind and quality that we need in this country, so that we wouldn't remove controls on beef imports as was feared.

One aspect that I think is important is that when we produce in our country grain-fed beef, which has a lot of marbling in the texture and also a lot of fat trimming, that fat has to be used for one purpose or the other. Historically in our country we've taken the fat from the very high quality fed beef and mixed it with lean beef in a very reasonable and responsible way to make hamburger. About 50 percent of all the beef that's sold, as you know, in our stores to consumers is hamburger.

So, we have a real shortage of lean beef to mix with the fat from our grain-fed cattle. And this is the kind of beef that will be imported. I think 200 million pounds will be actually needed. If this is not done, then that fat portion of the grain-fed beef will have to be melted down for tallow, which is a very low-priced item.

So, in my judgment, this decision will not have an adverse effect on beef producers in the long run. It will protect the consumers to a very limited degree because of a worldwide shortage of beef. And the projections are that even when the beef comes in, it won't affect the price of hamburger more than 4 or 5 cents. It'll reduce it about that much. It's something that needs to be done, though, to provide adequate supplies of beef for the people to eat, to protect the interests of the beef producers, and to have some moderating effect on inflation trends.

MR. WURFEL. Thank you, sir.

THE PRESIDENT. I'll answer one more.

Q. Still on the beef subject—I'm Sue O'Brien from Denver, Colorado, KOA



[radio and television]—people from Colorado contend that ultimately there will be inflationary impact from the quota increase, saying that it will impede ranchers from recovering from 4 years of drought, that some more of them will go out of business, and extend the shortage of beef in this country or deepen it. Can you respond to that?

THE PRESIDENT. I've heard those arguments. I think I just responded to it adequately, because, as I said, there was an incorrect report put out that we were going to remove beef import quotas altogether. This information went all over the country. And even in spite of that, the spot market prices of beef at the sale barns went up a dollar, a dollar a hundred. So, I don't think that the American beef industry, which is very knowledgeable about its own characteristics and circumstances, is going to exaggerate a very small increase in imported beef. I don't think there will be any material change, for instance, in the number of brood cows kept for future herd growth.

And I think that it's obvious that the farmers who grow beef would prefer no imports, and I think it's obvious that the consumers would prefer lower prices. But what we've done is not to take action that would change prices very much, unfortunately, but we have done something that will prevent any adverse effect on beef producers, to let them have a prosperous future, to provide an adequate stimulus for further growth in the size of beef herds. And I think over 3 or 4 years those herds will be back up to the point where the rapid increase in beef prices will not be such a severe blow to the American consumers.

The fact is that since the first of January, beef sold by the farmers has jumped 36 percent. And I think this is an extraor-

dinary growth. As you know, it's now up in the 50-cent to 60-cent bracket. It fluctuates up and down. But that's a very high increase. And I think that those present levels are going to be sustained. There's not going to be any adverse drop in beef prices to farmers, in my opinion. And none of my economic advisers disagree with that.

If you all don't have any objection, would you come by and let me get a photograph with each one of you?

NOTE: The interview began at 1 p.m. in the Cabinet Room at the White House. Walter W. Wurfel is Deputy Press Secretary.

The transcript of the interview was released on June 10.

## Capitol Page School

*Remarks to Members of the Graduating Class.  
June 12, 1978*

It's a great honor and pleasure for me, as President of our country, to welcome to the White House a group of distinguished young men and women who have already exhibited, in your own service to the Congress, a remarkable ability, scholarship, dedication and, I presume, now, a superb knowledge of the Congress. I have a great envy of you in that last respect. *[Laughter]*

I should have recruited you a year or so ago to help me with advice and counsel. I think our achievements would have been even greater than they have been.

I've enjoyed my service as President, and I hope that after your own college careers are completed that many of you will choose public service. This is the largest graduating class that we've ever had from the Capitol Page School. And I think that your academic record has been one of which I know you all are very proud.

We have learned a great deal about government, you and I together. Most of you are senior to me. We have early morning study hours. I was up this morning at 5 o'clock getting ready for my week's work. You do that regularly. I put in a full day's work, and I even do some homework at night, as you do.

I think this is a class that has had notable achievement already in the fact that all of you have been accepted in college. And I hope that all of you will take advantage of that remarkable opportunity. You've had good luck. I think that there are hundreds of thousands of young Americans who envy what you've had available to you already, not only in a very high academic education but, from a very fine perspective, an analysis of what our Government is, its good, sound elements and, perhaps, even some legitimate criticisms.

I hope that you, still in your formative years, as you've now reached young adulthood, will take this experience that you've derived and use it for the best interest of our country, not in a negative, adverse, or critical fashion, but in a constructive way, because you will help to shape what our country is in the years ahead.

I am very proud of your valedictorian, Bill McMillan. I understand he's made nothing but A's ever since the eighth grade, straight A's. And your salutatorian, Chip Barber, has done almost as well.

I now want to congratulate you collectively, and as we deliver the diplomas, I'll congratulate you individually.

*[At this point, John C. Hoffman, principal of the Capitol Page School, read the names of the graduates, and the President presented them with graduation certificates.]*

Thank you very much. Good luck to you.

NOTE: The President spoke at 12 noon in the Rose Garden at the White House.

## Federal-State Social Services Claims

*Statement on Signing H.R. 11370 Into Law.  
June 12, 1978*

I am today signing into law H.R. 11370, a bill authorizing appropriations for the settlement of all social services claims in dispute between States and the Federal Government under certain titles of the Social Security Act.

The bill authorizes an appropriation of \$543 million to resolve disputes that have served as a continuing irritant to Federal-State relations for the past 6 years. These claims, arising under State social service programs, have been tied up in court so long it sometimes seemed they would never get out. The States and the Federal Government have spent vast sums of money during these legal tangles.

The bill signed today is the product of State and Federal efforts to achieve a mutually satisfactory resolution. It shows what is possible when we work together in good faith.

The bill, which has received bipartisan and nearly unanimous support, is a settlement. As such, it recognizes both right and wrong on the part of the States and the Federal Government. It is a compromise fair to all.

Now the States and the Federal Government will be able to refocus their attention to provision of essential social services to needy persons. The Social Security Act provides a partial mechanism to meet some of these needs, and I expect it to become a more effective tool, now that we are freer to devote our energies and combined creative powers to the task.

NOTE: As enacted, H.R. 11370 is Public Law 95-291, approved June 12.

## United States Parole Commission

*Nomination of Oliver J. Keller, Jr., To Be a Commissioner. June 12, 1978*

The President today announced that he will nominate Oliver J. Keller, Jr., of Gainesville, Fla., to be a Commissioner of the United States Parole Commission for a 6-year term. He would replace George Reed, retired.

Keller was born April 21, 1923, in Lancaster, Pa. He received a B.A. from Williams College in 1947 and an M.A. in sociology from Northern Illinois University in 1965. He served in the U.S. Navy from 1943 to 1946 and from 1950 to 1951.

From 1951 to 1959, Keller was vice president and sales manager for a Springfield, Ill., radio station. In 1960 and 1961, he was chairman of the Illinois Youth Commission, and from 1961 to 1963, he was a commissioner on that commission, serving primarily as a member of the parole board for juveniles.

From 1963 to 1967, Keller was a special fellow at the University of Chicago, and from 1965 to 1967, he was a research fellow at the university's Center for Studies in Criminal Justice.

Keller was director of the Florida Division of Youth Services from 1967 to 1973, a centralized juvenile delinquency prevention and corrections agency. From 1973 to 1975, he was secretary of the Florida Department of Health and Rehabilitative Services. Since 1975 Keller has been a visiting professor of criminal justice studies at the University of Florida. He is also project director of Project Diversion, a federally funded project which places volunteers on a one-to-one "older friend" basis with juveniles charged with law violations.

Keller is the author of numerous articles and is a member of many professional associations and councils.

## Visit of Prime Minister Morarji Desai of India

*Remarks at the Welcoming Ceremony. June 13, 1978*

THE PRESIDENT. *Prime Minister Desai, distinguished visitors from the great nation of India:*

It's with a great deal of pleasure that I welcome you to our country as friends and as counselors, sharing with us deep commitments which have historically bound our nations together in peace and friendship.

One of the most significant political events of this decade was the vivid reaffirmation in India, in the past election, of democratic principles and the rule of law. India enjoys the prestige of having the largest free electorate in the history of the entire world, a tremendous democratic nation dedicated to the principles which are vividly demonstrated by Prime Minister Desai.

He is a man of courage in protecting those principles in which he believes so deeply. Along with Mahatma Gandhi and, later, Prime Minister Nehru, Prime Minister Desai was willing to suffer in prison as a fruitful demonstration of his commitment to those principles which he still protects with his actions and with his deeds. He's a man who frequently says that the means to an end are just as important as the end itself. He abides strictly by his deep-felt standards of conduct and ethics. Recently on an interview in our country, he says that one cannot use untruth to further truth, and one cannot dispel darkness with darkness.

When I was in India a few months ago, Prime Minister Desai and I issued a carefully prepared declaration of common principles designed to spell out in clear terms the common beliefs and common purposes of our two nations.

We have been great admirers of the economic growth and prosperity that has come to India under this enlightened administration. India is now prepared to be independent of mandatory food imports; in fact, in some products, is even a heavy exporter of food in these days. India has been and is a leader in the developing world. The nonaligned movement has seen and has benefited from the leadership of that great nation.

India has always been in the forefront of the expansion of basic human rights. And the recent declaration of Prime Minister Desai at the Special Session on Disarmament at the United Nations set a standard for other leaders throughout the world to assess and to emulate.

Under Prime Minister Desai, the Government of India has reaffirmed its commitment not to acquire nuclear weapons and to refrain from the explosion of peaceful nuclear devices. The warmth of the welcome extended to me, to my wife, and on other occasions, to my own mother, are a personal proof of the friendship of the Indian people toward those of our own country.

When I was in New Delhi with Prime Minister Desai, he gave me a very cherished gift, a dual bust of Abraham Lincoln and Mahatma Gandhi, with inscriptions thereon which again confirm that our nations stand united in pursuing freedom, our adherence to the principles of democracy, the protection of human rights, our desire for world peace, and our deep religious convictions.

Mr. Prime Minister, it is with the authority of the entire American people that I welcome you, a great leader, to our country.

Thank you very much.

THE PRIME MINISTER. Mr. President,

Mrs. Carter, I am very grateful to you for your very warm words of welcome. I return to this beautiful country after 9 years and with a feeling of deep satisfaction that our bilateral relations are so much closer than they have been for some time in the past.

I have always strongly believed that friendship between the millions of people in our two countries and the governments which represent them is of great significance in a bilateral as well as global context. There is a vast fund of good will that binds us, an unshakable commitment to the dignity of the individual, to the vitality of the democratic way of life, which adds a special qualitative dimension to this relationship.

We have a similar vision of building a world free from strife and tension. There is no conflict or clash of fundamental interest between us. On the other hand, we are blessed with a great variety of shared interests, the potential for which has perhaps only begun to be tapped.

The complex and changing world in which we live offers to both of us a range of challenging possibilities for cooperative endeavor which may not have existed in the past. The United States, by virtue of its size and strength, cannot but greatly influence the course of human progress and human events. The quality of leadership in the United States is, therefore, of crucial importance to all of us.

I would like to take this opportunity, Mr. President, of expressing, if I may, the admiration and respect that we in India have for you personally, for your family, with which we can claim with pardonable pride of enjoying special links, and for the leadership you are providing to your great country at this delicate juncture in international affairs. And at this stage, Mr. President, may I make a special request

and ask you to convey my very warm greetings to your distinguished mother, for whom we have much affection and regard.

Thank you very much.

THE PRESIDENT. I certainly will do that. Thank you.

NOTE: The President spoke at 10:38 a.m. on the South Lawn of the White House.

## Visit of Prime Minister Desai of India

***White House Statement on the First Meeting  
With the Prime Minister. June 13, 1978***

President Carter and Morarji Desai, the Prime Minister of India, met privately for approximately 25 minutes in the Oval Office and in the Cabinet Room for an additional 45 minutes.

The President began by recalling his meeting with the Prime Minister in New Delhi last January and expressing his personal pleasure at this opportunity to welcome the Prime Minister to Washington. He noted that this second visit will build upon the close personal ties and mutual confidence they established in New Delhi.

The President expressed the hope that the significant improvement in bilateral relations over the past year, marked by a comprehensive exchange of correspondence between them and their exchange of visits, would be continued and deepened, building upon the shared values of the American and Indian peoples.

They particularly welcomed increasing trade, economic cooperation, the work of the Indo-U.S. Joint Commission, and the American response to Indian requests for

improvements in the handling of student visas.

In this morning's meetings, the President and the Prime Minister discussed a wide range of major international issues of common concern. They devoted special attention to questions of peace and security in the world. The President reviewed the current status of our SALT negotiations with the Soviet Union and the prospects for the conclusion of a comprehensive test ban (CTB).

The Prime Minister and the President discussed their relationships with the Soviet Union and the People's Republic of China.

They touched upon the upcoming meeting of the UNHRC [United Nations Human Rights Commission] to be held in Geneva this September, and President Carter reviewed recent improvements in human rights in several areas of the world.

The Prime Minister reviewed with the President his recent talks with the leaders of the EEC, Prime Minister Tindemans of Belgium, and Prime Minister Callaghan of Great Britain.

They also discussed the need for the peaceful resolution of the Ethiopia-Somalia conflict and the right of the peoples of Zimbabwe and Namibia to sovereignty and independent development.

Turning to issues of importance to the South Asia region, the President and the Prime Minister discussed the events in Afghanistan and their importance to recent stability in the region. They agreed that every effort must be made to ensure that countries of the region, while preserving their independent personalities, can continue the process of promoting beneficial cooperation on the basis of trust and stability which would be advantageous to the area as a whole.

## Amendments to the Medicare Renal Disease Program

*Statement on Signing H.R. 8423 Into Law.  
June 13, 1978*

For the 40,000 Americans suffering from the severe disorder known as end-stage renal disease, kidney dialysis and transplantation are essential and life-saving services. But until now, Federal policies have encouraged these patients to rely upon institutionally based dialysis, which is more expensive than other approaches, such as transplantation and home-based dialysis, and which may be less medically desirable. The important legislation I am signing today, H.R. 8423, changes Federal reimbursement policies to enable patients who are suitable candidates for transplantation or home-based dialysis to receive these treatments.

This legislation complements other initiatives designed to control soaring health care costs while maintaining the quality of care, such as the hospital cost containment bill now pending before several committees of the Congress. I will continue to work with the Congress to assure more efficient health care for the American people.

NOTE: As enacted, H.R. 8423 is Public Law 95-292, approved June 13.

## National Advisory Council on Women's Education Programs

*Nomination of Seven Members.  
June 13, 1978*

The President today announced seven persons whom he will nominate to be members of the National Advisory Council on Women's Education Programs. They are:

- ELIZA M. CARNEY, of Tempe, Ariz., academic adviser to the College of Nursing at Arizona State University;
- GLADYS GUNN, of Dayton, Ohio, director of the Central State University Training Institute and former assistant superintendent of educational services for the Ohio Youth Commission;
- ELLEN S. HOFFMAN, of Washington, D.C., director of government affairs for the Children's Defense Fund and former staff director of the Senate Subcommittee on Children and Youth;
- KATHLEEN E. HUMPHREY, of Boise, Idaho, a student in the B.S. program in computer science at Duke University;
- PAUL PARKS, secretary of education for the Commonwealth of Massachusetts;
- J. RICHARD ROSSIE, a Memphis, Tenn., attorney active in organizations dealing with the rights and educational opportunities for handicapped children;
- BERNICE SANDLER, an executive associate with the Association of American Colleges, where she is director of the Project on the Status and Education of Women.

The purpose of the Council is to advise and make recommendations to the Commissioner of Education and the Assistant Secretary for Education on policy, programs, and the allocation of funds for the improvement of women's education. The Council consists of 20 members, 17 from the private sector and 3 from the Government.

## Visit of Prime Minister Desai of India

*Toasts at the Working Dinner. June 13, 1978*

THE PRESIDENT. If I could have your attention a minute, I'd like to say just a few words; first of all, to welcome all of you who have come to the White House this evening for one of the most delightful and fruitful evenings of my administration.

I've learned to know and to respect and, if he'll excuse the expression, even to love

the Prime Minister of India. He represents a country of greatness in many respects, and he is indeed a unique man himself.

He's traveled the breadth of our country, he's made a major speech at the United Nations, he's come all the way over here from India, he's been working hard all day. He's still as fresh and as young as anyone in the room, perhaps even more so. He's just explained to me that he's only 20 years old; he's celebrated 20 birthdays so far, having been born on the 29th of February. *[Laughter]* He's forgotten that every year that goes by, he gets older. He just doesn't get older. And I think that this is a characteristic of his that's derived from an inner strength and an inner peace with himself and convictions, social and religious and philosophical convictions that don't change. But he's a man also without arrogance, and he has an ability to understand the perspective of others who might disagree strongly with him.

He's a worthy leader of a country that's particularly close to me. My mother is about the same age as Prime Minister Desai. And I told him a few minutes ago that her brief stay in India was almost a time of rebirth for her, because she really started a new life there with a new perspective and a new appreciation of her fellow human beings. She went there expecting to do other people a favor as a member of the Peace Corps, but she came back realizing that the Indian people with whom she lived had provided her with much more of a contribution than she ever made in that village in which she lived.

I had a chance to visit one of the villages in India with our guest tonight, and I considered myself kind of an expert on India after I got back home. I asked him tonight how many villages there were like

the one I visited. He said there were 550,000. *[Laughter]* So, he represents a nation that is the largest democracy on Earth; a people who provide the largest free electorate that the world has ever known. And he was elected at a time when his own country was torn apart by dissension and by discouragement and even by animosity. And he helped, with his leadership, and those who have come here with him, who served with him, to protect the purest principles of democracy and the fabric of the law.

I enjoy being with Prime Minister Desai, to speak to him privately and to seek his counsel and advice. When I was there, he gave me this dual bust on my left, which I think demonstrates the ties between our countries.

He is a great admirer of Lincoln, primarily because of his humility and because of his recognition that to live in public office is an opportunity to serve others. He suffered because of his beliefs. Mahatma Gandhi, a great religious and political leader, did the same. And they, too, had an inner strength that sustained them in time of testing, in time of crisis, even turmoil.

Prime Minister Desai sets an example for all those who serve in positions of leadership, I think, to analyze his philosophy of life and the principles of his government. He is an inspiration to all of us who know them.

He believes in peace, in all the aspects and meanings of that word. He believes in disarmament. He made an outstanding speech, as you well know, at the United Nations earlier this week. He is a man who gets along with leaders of different countries and respects each one; a superb representative of the nonaligned movement. I think he would agree that he recognizes the fact that Cuba is not indeed a non-aligned country. But he respects the har-

mony within that movement and hopes that Cuba will change in the future.

We have had long discussions about some of the attitudes of other countries. He's seeking now to have an improved relationship with Pakistan, to draw together that country, Afghanistan, Iran, India, into a recommitment of harmony and peace in that part of the world. They've been able to bridge the gap between the democracies and the totalitarian governments.

And they are trying to repair the strained relationships between India and China, the People's Republic of China, I think successfully, because of his broad mind and his willingness to analyze his own position and that of his country in an objective fashion.

This is a time, also, to recognize India's great and staunch commitment to the principle of protecting basic human rights.

And I think that in that country, where in the past so many people have suffered, that we've always cherished as a friend, it's indeed gratifying to him and those who serve with him to know that India's production of food now is adequate for their own needs. They have a reserve supply of food on hand, even the capability of exporting basic food items. And this is a symbol of the vigor of their great country, one of the most advanced technological nations in the world, and a real leader in almost every aspect of that word.

It is an honor, Mr. Prime Minister, to have you in our country. And from the perspective of the Presidency of our Nation, from the perspective of a personal friend, from the perspective of a member of a family who looks with great favor and appreciation on your country, I would like to propose a toast to a great leader and a personal friend, Prime Minister Desai, to the wonderful people of India, and to the enhanced prospects of

world peace for which you strive so vigorously.

Thank you, sir.

*[At this point, the toast was offered.]*

I might say that those of you who like to drink water can thank the Prime Minister for his beneficent influence tonight.  
*[Laughter]*

THE PRIME MINISTER. I don't know that that would be as much welcomed.  
*[Laughter]*

THE PRESIDENT. It's good for us all. Would you like to say a word?

THE PRIME MINISTER. I think it is quite good.

Mr. President, you have so overwhelmed me with your gracious words in attributing to me many qualities which I am struggling to possess, but have not yet fully attained. It was very kind of you to have invited me here to this great land with which we have much in common, in ideals and attitudes alike and in human qualities.

I have been here many times, and every time I have come here, I have been not only happy but I have always learned something, not only in life but also in the matter of democratic values.

I belong to a country which is poor in material resources—not that it was poor at a time when others were poor in other riches—but in the course of time, it has become the poorest today. But it is the richest in spiritual values which we have inherited from the holy past. And yet I can't say that we are quite a true specimen of that great heritage, but we hope that we shall be able now, after passing through several trials, be able to catch again that spirit and be of some service to the world.

We have no ambition of affluence as it is understood in the present day. We would be satisfied if our people have enough to be happy and we are able to serve the human society in such a way



that the world becomes one family. That has been what we have been always advised and instructed.

We have always said the whole world is a family and so they would be able to overcome, as I said in the United Nations Assembly. And we have tried to live up to that, and with your help, we hope to do well.

This is a young country, but it has also very deep spiritual foundations. The country was founded by pilgrim fathers who protested against oppression, religious persecution and fanaticism, and came here and founded this country. It is that which gives the real urge for humane values to the people of this great country.

I think the world has yet to cite any example of a country which has helped very nearly the whole world in many ways and also has set that example before others. And it is that which inspires us. It is therefore that I admire this country, and more particularly, I have struck a common chord with you, Mr. President, and I find that we believe in the same values.

There can therefore be no misunderstanding between us. There can be some difference of opinion in some things. If we did not do that, we would cease to be intelligent. Therefore, that is also a proof of human values in my mind. But even if there are differences, we understand each other very fully and try to find out a way which is common, so that we are able to succeed in our common mission of achieving peace in this country and banishing war so that the world becomes one family of human beings.

We have to achieve it. There are many prophets of the dark whose prophecy is doom for this world. Personally, I think the world is going up and becoming better. But it is always passing through difficulties and sufferings that we can become better. Without suffering, there is no test of goodness, and without suffering,

there is no acquisition of truth as we have been taught by our sages. And it is that also which attracts me here, because I find there is a regard for truth which I see everywhere I move.

Of course the world is not perhaps full of truthful people, and yet they all admire truth and they want truth. There is a great hope for the world.

And it is a matter of great pleasure and happiness for me that you very graciously invited me here to this great land and gave this opportunity of meeting various friends, discussing with them common problems and getting more and more friendliness. And for that, I am deeply grateful to you.

I only hope that you will visit us again and see the countryside and spend not less than 10 days. I don't know whether it is possible for such a busy President who has problems that are far more annoying than I have. And yet, may I say that we will see that you will forget those problems, and we might also be helpful in seeing that your problems are solved so that we are helped by you in solving other problems. It is more selfishness for which I am selling you.

I have passed the last few days very happily, and going from one end to the other, San Francisco, and coming back from there, I have met many Indians, the largest of them, largest numbers perhaps on record, in this country so far. That was also due to your kindness, because you are painting such a picture about me that they are all attracted. And for that, I am deeply grateful to you and thank you very much.

May I request, friends, to join me in drinking to the health of the President, his family, and eternal friendship between our two countries and world peace.

NOTE: The President spoke at 8:36 p.m. in the State Dining Room at the White House.

Following the dinner, the President and the Prime Minister visited the Lincoln Memorial.

## Vice President Mondale's Visit to Israel

***Statement by the President Announcing  
the Visit. June 14, 1978***

I am pleased to announce that Vice President Mondale has accepted the invitation of Prime Minister Begin and Knesset Speaker Shamir to visit Israel as part of the celebration of Israel's 30th anniversary.

The Vice President will convey my congratulations and those of the American people to Israel on this important anniversary. His visit underscores the deep and enduring ties of friendship between the people of the United States and Israel.

## Department of Energy

***Nomination of James P. Wade, Jr., To Be  
Chairman of the Military Liaison Committee.  
June 14, 1978***

The President today announced that he will nominate James P. Wade, Jr., of Reston, Va., to be Chairman of the Military Liaison Committee to the Department of Energy. He would replace Donald R. Cotter, resigned.

Wade was born December 26, 1930, in Richmond Heights, Mo. He received a B.S. from the U.S. Military Academy in 1953, and an M.S. (1959) and P.D. (1961) in physics from the University of Virginia.

Wade was on the staff of the NATO Defense College in Paris from 1955 to 1957, and served on the physics staff at Lawrence Radiation Laboratory from 1961 to 1965. In 1966 and 1967, he was with the operations directorate at USCINCEUR in Paris.

Wade has been at the Pentagon since 1968, serving on the staff of the Defense Advanced Research Agency in 1968 and 1969 and of the Office of Strategic and Space Systems, Defense Research and Engineering from 1970 to 1972. From 1972 to 1974, he was Assistant Director of the Office of the Secretary of Defense SALT Support Group.

In 1974 Wade served as Director of the Defense Department's SALT Task Force and Deputy Assistant Secretary of Defense for International Security Affairs. Since 1977 he has been Assistant for Analysis in the Office of the Under Secretary of Defense for Research and Engineering.

## Visit of Prime Minister Desai of India

***White House Statement on the Final Meeting  
With the Prime Minister. June 14, 1978***

President Carter and the Prime Minister of India, Morarji Desai, met today in the Cabinet Room for 1 hour, from 10:30 to 11:30 a.m.

The meeting this morning covered both global and South Asian regional issues. The President outlined to the Prime Minister the current status of the SALT and CTB negotiations and his hopes for rapid movement in both areas. The Prime Minister said that he was happy to hear that progress is being made.

There was also a discussion of the role the nonaligned movement should play in international relations. The President expressed his support for Prime Minister Desai's concept of genuine nonalignment.

The President and the Prime Minister reviewed the situation in Africa. Both the President and the Prime Minister agreed on the importance of preserving territorial

integrity in Africa and encouraging Africans to resolve their own problems.

There was also an extensive discussion of South Asia. The President reaffirmed the United States policy of support for the independence and development of all the states in the region, a goal which the Prime Minister shares. The Prime Minister discussed recent developments in relations among the South Asian nations.

The President concluded by expressing his great pleasure at the strengthening of his personal ties with the Prime Minister. They stated that these ties are valuable in maintaining the longstanding and close relationship between our two countries and agreed to continue the bilateral dialog through future meetings and correspondence, as well as through regular consultations between officials of both governments.

## THE PRESIDENT'S NEWS CONFERENCE OF JUNE 14, 1978

THE PRESIDENT. Good afternoon, everybody. I have two brief statements to make before I answer questions.

### ARMS EMBARGO AGAINST TURKEY

The most immediate and urgent foreign policy decision to be made by the current legislative session is in lifting the arms embargo against Turkey. The points that the Congress intended to underscore 3 years ago, when the embargo was imposed, have all been made, but now the embargo is not contributing to a settlement of the Cyprus dispute, nor is it helping to improve our relationship with our allies, Turkey and Greece. It's driven a wedge between those two countries and

has weakened the cohesiveness and the readiness of NATO. It's thereby harmed our own national security interests in the eastern Mediterranean, an area which is crucial to the defense of the southern flank of Europe, and also our own access and that of others to the Middle East.

It's important to implement an effective policy in this area of the eastern Mediterranean—Greece, Turkey, Cyprus area. We have three purposes, all of which are equally important: first, to serve U.S. and NATO security interests, as well as the security interests of Greece and Turkey as nations; second, to improve the relationship between Greece and Turkey; and third, to facilitate progress toward a Cyprus settlement.

I'm asking the Congress to support me in enacting the full program, which, in addition to removing the embargo against arms sales to Turkey, provides for military sales credits to both Turkey and to Greece, provides for economic aid to Turkey, and provides further funds for relief and rehabilitation for refugees in Cyprus.

Both Greece and Turkey are valuable friends and allies of our own. Lifting the embargo is essential to our hopes for peace and stability in the eastern region of the Mediterranean. And I hope that the American people and the Congress will give me their support in the realization of U.S. interests in this critical area of the world.

### INFLATION AND FEDERAL SPENDING

The domestic issue that I would like to pursue is that of inflation. Last week I emphasized how important it is to hold the line on Federal budget expenditures as a series of appropriations bills are considered by the Congress during the next few weeks.

I cannot make this point too strongly, nor repeat it too often, because much of

the fight against inflation from the perspective of the Federal Government itself depends on Congress action in the days ahead. Unless the Congress is responsible, the Federal deficit will rise at a time when it must and can be reduced. Unless the Congress shows restraint in spending, it will set the worst possible example for our workers and businessmen, whom I've asked to restrain their own wage and price increases in order to hold down inflation.

Unless we recognize the limits on our ability to spend in the Federal Government, then both American citizens and those in foreign countries will see that we cannot take the difficult decisions that are necessary if inflation is to be controlled.

I'm concerned in particular at this time about the public works appropriations bill that the House will begin voting on tomorrow. That bill, as passed by the Appropriations Committee, would add not only \$1.4 billion in spending over the life of 46 new water projects, but it also continues spending for the unsound water projects which the Congress agreed not to fund last year. It would waste far too much of our taxpayers' money, and we just can't afford it.

With the help of many of the House Members who are also concerned about the inflationary impact of the public works bill, we will be working to eliminate the unnecessary spending proposals for water projects in that bill. Unless they are eliminated, I intend to veto it.

And now, I'd like to recognize Ms. Thomas [Helen Thomas, United Press International].

#### QUESTIONS

##### CUBAN INVOLVEMENT IN ANGOLA

Q. Mr. President, do you think that Fidel Castro is lying when he says that there's been no Cuban involvement in the recent invasion of Zaire? And since you made the charge, contrary to Castro's

word, do you have proof that he did not attempt to restrain the rebels?

THE PRESIDENT. I don't really desire to get into a public dispute with Mr. Castro through the news media. The facts are these: In Zaire, the Cubans now have more than 20,000 armed troops plus other support personnel—in Angola, excuse me. They also are deeply involved in the ministries of the Angolan Government itself, and they have substantial control over the transportation facilities in Angola—the seaports, the airports, and so forth.

In the southeastern (northeastern)<sup>1</sup> part of Angola from which the Katangan attack was launched, the Cubans have around 4,000 or more troops. They are a heavy influence, both with all personnel in Angola, including the Katangans, and also, of course, with the Neto government itself.

There's no doubt about the fact that Cuba has been involved in the training of Katangan people who did invade. We have firm proof of this fact. And the knowledge that Cuba had of the impending invasion has been admitted by Castro himself.

This was a story published, I think, in *Time* magazine the last week in May, and later Castro informed one of our own diplomats that he knew about the impending invasion ahead of time and that he attempted to notify President Neto in Angola and was unsuccessful. (Castro informed one of our own diplomats that he knew about the impending invasion ahead of time and that he attempted to notify President Neto in Angola and was unsuccessful, and there was a story printed in *Time* magazine.)<sup>2</sup>

The fact is that Castro could have done much more, had he genuinely wanted to stop the invasion. He could have interceded with the Katangans themselves. He

<sup>1</sup> Printed in the transcript.

<sup>2</sup> Printed in the transcript.

could certainly have imposed Cuban troops near the border, because they are spread throughout Angola, to impede the invasion. He could have notified the Zambian Government of this fact. He could have notified the Organization of African Unity. He could have notified the world at large that an invasion designed to cross and to disturb an international border was in prospect. And he did not do any of these things. At the present time, Mr. Castro has still not condemned the invasion of Zaire by the Katangan rebels. So, there is no doubt in my mind that just on the basis of these facts alone, my statement is true.

Rather than look backward, I would like very much for Mr. Castro to pledge himself and for the Neto government in Angola to pledge themselves to prevent any further crossing of the Angolan border which would permit future invasions of Zaire.

And, of course, we would also relish the withdrawal of Cuban troops in the future, both there and Ethiopia, and support for the American, British, and other efforts to bring about peace in the southern part of Africa.

Q. Would you be willing to see him on that subject?

THE PRESIDENT. No, I don't think it's appropriate for me to see Mr. Castro now.

#### TAX REDUCTION

Q. Mr. President, Proposition 13 would appear to have sent some politicians into shock, including some in this town. You don't appear to be in shock, but I wonder if the California vote will have any influence on your possibly reassessing your own policies and approaches.

THE PRESIDENT. Obviously we will have to observe very carefully the developments in California in the future as the full impact of Proposition 13 is felt. It will reduce property taxes perhaps as much as 60 percent in California.

One of the reasons for the decision made by the citizens of California is that property taxes there are very high, compared to those in other parts of the Nation, most other parts of the Nation. The property valuations have increased rapidly, and the taxes levied have increased rapidly. That, combined with the well-known fact that the State government had accumulated \$4½ or \$5 billion or so in surplus funds, I think, combined to increase the desire of California people to impose this limit on property taxes. Those factors would be unlikely to prevail in other States of the Nation at this time. But the 2-to-1 margin of approval by the California people to restrain public spending and taxation is obviously a message that's been well received and observed by all of us throughout the country. I think this is not incompatible with the fact that we want to hold down spending, we want to reduce taxes at the Federal Government level.

There will be some indirect impact on the Federal Government now and more direct influence in the future, because there's no doubt about the fact that unemployment will go up in California, as government workers are laid off because of stringent budget requirements. And, of course, our unemployment compensation payments will have to increase. Also, I think we have about 50,000 CETA jobs, comprehensive education training administration jobs worked out jointly with local governments. Many of those may be in danger.

We have no way yet to anticipate what other consequences will accrue. But all of us are concerned about the budget levels, about unnecessary spending, about more efficient operation of government, and about lower taxation. These were proposals that had already been made by us here in Washington. But I think they strengthen support now in the Congress for those considerations.

## COMMUNITY SERVICES ADMINISTRATION

Q. Mr. President, the head of the Community Services Administration testified yesterday in Federal court that some of your top aides, including Frank Moore, asked the CSA to cut off funds to the Zavala County Economic Development Corporation. Why did your administration want to cut off funds to this Texas-Mexican American group?

THE PRESIDENT. I think there has been—I don't know many details about the proposal, but I do know that the Governor of Texas had complained earlier about the way the funds were managed, and this question was raised with the CSA. Later after the CSA, following an investigation, decided that some of the funding should be either cut back or terminated unless the management was improved, the people involved in the Zavala County effort tried to get the Federal Government to reverse its decision.

When that request was refused, the Zavala County officials went to court. A decision was made by Grace Olivarez, the Administrator of CSA, that the Federal Government position was the proper one. And we are prepared to go to court and to have the full information revealed to the court, and let the court decide whether it should be administered or not.

Q. I would like to follow that up.

THE PRESIDENT. Please do.

Q. Why did you claim executive privilege on the nine memos regarding that, from various aides to you and so forth?

THE PRESIDENT. Well, I think as a general rule, when I have a wide range of advice coming to me following the complaint of a mayor or a Governor or a State legislator or some other responsible official, when some of the complaints are based on hearsay or allegations or personalities or specific criticisms of the qualifications of administering officials, it would not be appropriate to reveal all those memos to the public.

This is something that's been honored for generations in our Government. And I think that if there was a possibility that those kind of confidential memoranda would later be made public, when they have to be very frank and open and free expressions of even contradictory views, there would be a tight reluctance on the part of my subordinates to give me free advice, because they would have to assess every document presented to me or every expression of opinion to see whether or not it could stand up to scrutiny later on for public analysis maybe 2 years later.

So, I think the confidential privilege of having my own subordinates give me free advice without their memoranda being revealed to the public is something that I would have to preserve.

Judy [Judy Woodruff, NBC News].

## CUBAN AND SOVIET INVOLVEMENT IN AFRICA

Q. Mr. President, other than being critical of the Cubans and the Russians for their involvement in Africa, what can this Government do specifically to discourage any further involvement in the future? And specifically, have you made a decision about any possible retaliatory action against the Cubans, in the way of trade or travel restrictions, or against the Soviet Union because of the recent activities in Africa?

THE PRESIDENT. No, I don't contemplate any retaliatory action. As you know, we have a trade embargo against Cuba at this time, and we do not have diplomatic relations with Cuba. We do have a representative in Washington and in Havana that provides us communication service, if nothing else.

We are doing the best we can to acquaint the world with the hazards and the consequences of increasing involvement of the Soviets and the Cubans in Africa. I think it's accurate to say that they take advantage of local disturbances and move

in with massive intrusions, both of military weapons, which contribute to further bloodshed among Africans themselves, and when they are permitted by the local government, they send in large quantities of troops. There are now more than 20,000 troops by Cuba in Angola. This number has increased in the last 12 months. And we believe that in Ethiopia there are more than 15,000 Cuban troops there now, even though the armed combat in the Ogaden area between Somalia and Ethiopia is over.

I think drawing public opinion to this, not only in our country but around the world, has been relatively effective. We now have the prospect of a further armed outbreak between Eritrea and Ethiopia. And I would hope that our expressions of concern would induce the Cubans not to become involved in that fighting itself.

I think it's time for the Cuban troops to withdraw from Ethiopia. Ethiopia has been heavily armed now by the rapid intrusion of Soviet weapons to them after Somalia did attack in the Ogaden area. I think Ethiopia is perfectly capable of defending themselves without Cuban troops, and it would certainly be contributory to world peace if Cuba would withdraw. But I think other than acting in a way to acquaint the world with their actions, the only other thing that we can do is, through peaceful means, to provide some strength to nations that do want to be autonomous, that do want to see African problems settled by African people themselves.

And we have provided a limited amount of economic aid, some limited military aid on occasion. The other thing that we are trying to do is involve multinational organizations to help in controlling outside intrusion into Africa.

The Organization of African Unity is a good organization, but it's been relatively reluctant in the past to deal with very

controversial issues. And quite often the African nations themselves are divided on the controversial issues. The United Nations is one to whom we have turned, and we are working under the auspices of the United Nations in trying to deal with the Namibian question. I think you know that in Rhodesia and Namibia, we are working with other countries in trying to bring about majority rule and a peaceful settlement. We have had no help at all from either the Cubans or the Soviets, trying to deal with these very sensitive questions.

So, I think these brief things that I've outlined are some of the things, short of armed involvement—which we do not intend to do—to bring about some lessening of the Cuban-Soviet intrusion into Africa.

Q. I have a followup.

THE PRESIDENT. Go ahead.

Q. President Nyerere has been critical, at the same time, of our involvement in Africa. There are people in your own administration who have been critical, who think that we've made too much of the Cuban activities. Is there a possibility that all the recent criticism may in some way endanger potential resolution of other more serious problems in Africa, like Ethiopia?

THE PRESIDENT. Well, I think any military disturbance in Africa, when exacerbated by the intrusion of foreign troops and weapons, tends to spill over across other borders. One of the things that made it so important to draw the line on Cuba and, hopefully, the Katangans in the future, in the violation of Zairian borders, was that principle of leaving those international borders undisturbed.

I think the reason that Nyerere expressed concern was that he thought that we were supporting a so-called pan-African force, that we were developing a

strike force of some kind that could be used whenever called upon to go to anywhere in Africa to try to intercede militarily to bring about peace.

This is a proposition that we have never considered. Our only involvement has been for the Shaba province in the southern part of Zaire to try to stabilize the situation there. And, as you know, we've only provided logistical support to other nations; we've not provided any troops and don't intend to. So, that's the limit of our involvement, and I don't think we'll go any further than that.

DAVID G. GARTNER

Q. Mr. President, in light of your code of ethics pledge never to appoint anyone with a conflict of interest or even the appearance of conflict, how do you justify appointing former Humphrey aide David Gartner to the commission regulating commodities, when he had accepted for his children \$72,000 in stocks from a major commodities dealer, Dwayne Andreas? Did you know these facts before you made the appointment?

THE PRESIDENT. No, I didn't.

Q. How do you justify it?

THE PRESIDENT. Well, I believe that the Senate committee and the full Senate did have this information before they decided that Mr. Gartner was qualified. Also he has pledged himself not to become involved at all in the consideration of any matter that related to that particular company. So, although I didn't know about it before I submitted his name, we knew about this before the Senate committee and the Senate at large considered his appointment.

It was approved overwhelmingly, as you know.

Q. You believe it does not constitute a conflict of interest or the appearance of conflict?

THE PRESIDENT. That's correct. I think that the circumstances and the facts have been made known thoroughly, so far as I'm able to tell. In spite of this, accommodating this, the Senate did approve his appointment, and he has pledged himself not to become involved in any matter that related to that particular company.

#### TAX REDUCTION

Q. Mr. President, to get back to Proposition 13, sir, today Budget Director McIntyre called it wishful thinking to suggest that communities in California could ask the Federal Government to bail them out of difficulties with their local payrolls and so on. How do you—there was an indication that he was speaking for you on this. Was he, and how do you feel about that? And if you were to get such requests from localities, what would you tell them?

THE PRESIDENT. Well, within the constraints of the presently existing programs for transportation, education, for air and water pollution control, crime control, and the LEAA, CETA jobs for public service and training, of course we would be glad to help the communities of California on the same basis as we help the communities around the country. And if there should evolve a crisis in a community, after careful assessment, within the bounds of the law and administrative procedures, we would obviously help them.

The Federal impact of the California decision will be felt long in the future. I think with a \$5 billion surplus that presently exists in the State government for several months in the future, this can be used, as Governor Brown has very wisely proposed, to deal with those special needs.

Following that time, of course, we'll have to assess what role the Federal Gov-



ernment might play. But I don't think there would be any possibility of our passing a specific law just to deal with California. The reason for the interrelation on taxes, for instance, is to prevent double taxation. And I think even with the reduced taxes on property in California, the taxes, for instance, in States like Georgia or Alabama would still be quite a lot lower than those in California.

So, we still have no means, no inclination to single out California for special Federal programs just because they have lowered property taxes.

#### PRESIDENT'S FINANCIAL DISCLOSURES

Q. Mr. President, as a Presidential candidate you often cited the need for timely financial disclosure as a means of avoiding conflicts of interest, or appearance of it. And yet, as President, you have not yet released your income tax filing from last year, nor your 1976 nor your 1977 net worth statements, as you pledged to do. My question is, what are your plans with regard to disclosure?

THE PRESIDENT. Jody Powell now has all those data, and they are available for release. The reason we held this up is because we had an Internal Revenue Service audit of my 1975 and 1976 tax returns. I've forgotten the exact figures, but one of the years we had no change at all in the tax return. The other one, when I was Governor, I put in normal contributions as a State employee into the retirement system. When I got the money back at the end of my service as Governor, there was a \$350 increase in value because of interest earned, and we did not pay income taxes on that. We owe \$160 back taxes.

In the analysis of that year, however, the Internal Revenue Service found that there was owed to me from a previous year either \$5,000 or \$6,000—I've forgot-

ten the exact figures—in back taxes. So, I will have to pay \$160, approximately, to the IRS, and I will get a \$5,000 or \$6,000 refund that I had not known about. [Laughter] But that confirmation from the IRS just came to us this morning, and my wife came over at lunch and told me about it. That's what Jody has been waiting for. It's good news.

#### ARMS EMBARGO AGAINST TURKEY

Q. Mr. President, Turkey has openly stated that she is in a very bad situation in a military incapability. What is the alternative of the U.S. Government if the embargo is still not lifted and if Soviet Russia proposes a military aid to Turkey in this very desperate situation?

THE PRESIDENT. I would guess that Turkey would be reluctant to turn away from her historical alliance with the Western nations, those nations of NATO. Obviously we are not the only source of weapons or supplies for Turkey. And even under the present provisions of the arms embargo, the Congress last year did approve the sale, I think, of some F-4's, some fighter planes to Turkey, about \$90 million worth.

Turkey has been very greatly disturbed because of the arms embargo, brought about, I think, 3 years ago by the fact that Turkey did violate the American law in using American-supplied weapons to go into Cyprus. I think that it's accurate to say that the Congress had good intentions 3 years ago when the embargo was enforced in hopes that it would have beneficial results.

The fact is, as I said earlier, it has not had beneficial results. It has driven a wedge between Greece and Turkey, between Greece and the United States, between Turkey and the United States, and it's weakened the alliance of Turkey and Greece toward NATO, and has, I think,

brought into a deadlock or perpetuated a deadlock on Cyprus.

So, we've tried it; it didn't work. And my guess is that we will continue, we and the other NATO Allies, to include Turkey in all the plans—we will give them adequate supplies for their own defense within the capabilities of our nations and in compliance with the law.

My hope and my expectations are that the Congress will remove the embargo this year.

#### RIGHT TO PRIVACY

Q. Mr. President, on May 24, your Deputy Attorney General, Mr. Civiletti, urged Congress to pass a law that would require an American citizen to go to court to protect the privacy of his own personal records, and he said that to expect the Government to show reasonable cause to believe that a crime was involved was "just not realistic."

Now, as a leader in a world campaign to expand human rights throughout the world, how do you justify your administration's trying to punch holes into individual rights here at home?

THE PRESIDENT. My analysis of the attitude of the Attorney General is that he has been a foremost proponent of protecting individual rights. He has never deviated from this commitment so far as I know. I'm not familiar with the particular case to which you refer, and I'm hesitant to comment on it without being more thoroughly familiar with it. But if you would provide it to the Press Secretary, I'll be glad to try to answer it more definitively.

#### WILMINGTON 10

Q. Mr. President, Congressman Don Edwards has suggested that the administration file a friend of the court brief for

the Wilmington 10, since no action has been taken on the part of the administration. Do you plan to follow up with a court brief, and if not, why?

THE PRESIDENT. I don't know. As you recognize, the case has been in the past in the Federal court. My understanding is that this group through their attorneys have now filed in the Federal court for some relief. And I think the Attorney General in the past, the Justice Department has inquired into the proper treatment of these defendants. But I don't believe that the Attorney General has any intention that—certainly that he's relayed to me—of joining in as a party to the Wilmington 10's application in court.

#### FINANCIAL ASSISTANCE FOR NEW YORK CITY

Q. Mr. President, tomorrow the Senate Banking Committee will begin to consider the proposal you made to provide long-term Federal loans for New York City. How do you feel about the statements by some Senators that the banks and the unions in the city have not done enough and actually should be required to do more as a condition for further Federal aid, and about the apprehension by some Senators that this would allow excess spending by other cities?

THE PRESIDENT. My own belief is that the requirements placed on New York City, through their own volition and also because of the requests of the Secretary of the Treasury, Mr. Blumenthal, are adequate. And the House of Representatives considered this matter very carefully and voted with a margin, I think, of more than 90 votes to go along with both short-term financing and also long-term financing.

My own belief is that the long-term financing is preferable. This would not endanger the Federal Government at all. We would not lose a penny on the guar-

antee of those loans; in fact, we would gain somewhat from interest paid by New York City on the guaranteed loans of the Federal Government. And I think it would remove the requirement that New York City act on an emergency basis in just 2 or 3 years at the most, when if they were given 7 or 8 years to work out of their problems, with careful constraints and monitoring of their actions, this would be a much more businesslike approach.

It would also let the labor unions, with their retirement funds, private investors, the banks, and others in New York, the sale of bonds themselves, which would be guaranteed by the Federal Government, and action by local and State officials to be much more carefully planned and much more harmonious.

So, for all practical purposes that I have been able to consider, I think that the long-range guarantee of those borrowed funds, those debts of New York City, is the best approach. My hope is that even though the committee may be much more averse to the proposal, that on the Senate floor itself, that the vote will be favorable and that the Senate will emulate what the House has done and approve those loan guarantees for New York City.

#### HUMAN RIGHTS IN THE SOVIET UNION

Q. In addition to the impending trial of Anatoly Shcharanskiy, who you have very vigorously denied was a CIA agent or had any intelligence functions, the Soviets have now arrested and imprisoned Vladimir Slepak, who you cabled in a telegram November 1976 you would make a cardinal element of your policy when you were elected, his defense and the defense of other Soviets who have been accused.

Do you regard the arrest of Mr. Slepak

and some of the other Soviet actions in this field as a personal response to your human rights campaign?

THE PRESIDENT. No. I don't believe it's a personal response to a campaign that I have launched on human rights. I think the fact of the matter is, long before I came in office, the Soviet Union voluntarily signed the agreement at Helsinki, the last portion of which guaranteed certain basic civil rights within the boundaries of individual nations.

It's not as though other nations were intruding into the internal affairs of the Soviet Union. The Soviet Union voluntarily agreed to meet certain standards on the protection of the rights of its own citizens. There was set up a group within the Soviet Union and other countries to monitor compliance with the agreement, which the Soviets themselves had signed, and a substantial portion of that group in the Soviet Union have now been either harassed or imprisoned or tried, and I think this is something that is continuing.

I don't believe that it's an attack on me. I think it's a matter, as I said in my speech in Annapolis, of whether or not the Soviet Union can stand internal dissension and monitoring of the actions of the government by private citizens or private citizens groups.

I have expressed in the strongest possible terms, both publicly and through diplomatic channels, our concern about the actions of the Soviet Government. And I believe that even though they obviously have a right to make decisions within their own country, this works against the best interests of harmony and peace between the Soviet Union and other countries, because they look with concern upon the attitude of the Soviet Union towards its own citizens and they see in these actions a violation of an agreement, a solemn agreement, which the Soviet Union voluntarily signed.

Q. May I follow that up, Mr. President? Some of the people who have been arrested have said you have ceased to talk about particular cases, that you just speak now about human rights in general and that has left them victim to the Soviet crackdown.

Have you, in fact, ceased to come to the defense of people like Mr. Slepak and Mr. Shcharanskiy?

THE PRESIDENT. Well, you just mentioned three cases, and—maybe you mentioned four. I've commented on all of those, and I think that it's important for the world to monitor what goes on in the Soviet Union. I have not avoided a reference both publicly and privately to the Soviet Union on specific cases, and I intend to continue to do so.

FRANK CORMIER [Associated Press]. Thank you, Mr. President.

THE PRESIDENT. Thank you very much.

NOTE: President Carter's thirty-third news conference began at 3 p.m. in Room 450 of the Old Executive Office Building. It was broadcast live on radio and television.

## United States Ambassador to The Netherlands

*Nomination of Geri M. Joseph.  
June 14, 1978*

The President today announced that he will nominate Geri M. Joseph, of Minneapolis, Minn., to be Ambassador Extraordinary and Plenipotentiary of the United States to The Netherlands. She would replace Robert J. McCloskey, who has been appointed Ambassador to Greece.

Joseph was born June 19, 1923, in St. Paul, Minn. She received a B.S. from the University of Minnesota in 1946.

From 1946 to 1953, Joseph was a staff writer for the Minneapolis Tribune. Since 1972 she has been contributing editor.

She is active in civic affairs and is a member of the President's Commission on Mental Health and the Minnesota Supreme Court Commission on the Mentally Disabled and the Courts.

## University Press Centennial Observance

*Proclamation 4575. June 14, 1978*

*By the President of the United States  
of America*

### A Proclamation

America's colleges and universities have always met their responsibilities for preserving and enlarging the body of human knowledge. In our open society, they have an additional duty—that of making such knowledge available beyond the gates of the campus.

It was in recognition of that duty that the first university-affiliated press was established, in 1878, at Johns Hopkins University. In the century since, our country's university presses have established an admirable tradition of literary and graphic quality. Today the standard of excellence which they have established is being applied to an ever-increasing variety of subjects. As a result, one-sixth of all American books in print today are issued by American university presses.

In recognition of the impact, both here and abroad, of American university presses on culture and scholarship, the Ninety-fifth Congress, by joint resolution (S.J. Res. 140) has asked the President to issue a proclamation commemorating the American university press.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate the seven-day period ending on June 17, 1978 as University

Press Week and call upon the people of the United States, as well as all interested groups and organizations, to mark that period with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this fourteenth day of June, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER

[Filed with the Office of the Federal Register,  
10:49 a.m., June 15, 1978]

## White House Conference on Small Business

***Memorandum From the President.***  
***June 14, 1978***

*Memorandum for the Heads of Executive  
Departments and Agencies*

Last month, I announced plans for a White House Conference on Small Business, in January 1980. It has been several decades since any Administration has focused upon the role of small business in the economy. By the time of the Conference, I would like to be able to show that the relationship between the Federal government and the small business sector has improved significantly.

In order to further the objectives of that Conference, your agency should select, in cooperation with SBA, at least one important advance to report to the Conference. Ideally, this means developing an initiative that will be visible and completed or well underway by December 1979.

The initiative you select should be relevant and important to your constituency, and to the small business community in general. An agency involved in regulation

of small companies might, for example, simplify their regulations. Agencies with substantial procurement activity might increase their procurement from small businesses. Other areas for programs include: capital development, government regulation/paperwork, technology and industrial innovation, management assistance, minorities/women enterprise, antitrust/consumer affairs/competition, international trade policy, agricultural policy, manpower and human resources development, natural resources/energy tax policy.

To coordinate this project, please delegate as a liaison either an Assistant Secretary or Personal Assistant, to deal directly with the Honorable A. Vernon Weaver, the Small Business Administrator. He will discuss this request directly with you soon. You should develop preliminary options, in conjunction with SBA, by the end of August 1978. It may be useful to first select a few alternatives for discussion with SBA, and agree on the most acceptable program. The Domestic Policy Staff will conduct the final review of all options.

Thank you for your participation in this important effort to assist our country's small businesses.

JIMMY CARTER

## National Rural Electric Cooperative Association

***Remarks on Greeting Members of the  
Association's Youth Tour. June 14, 1978***

I never saw so many cameras, I don't think.

If I could have your attention just a minute, let me say a few words. It's a great honor for me as President to stand here in front of the White House and to greet a group of young Americans who share a great deal with me. As repre-

sentatives of the Rural Electric Cooperatives throughout the country, I know you share not only a pride in what has gone on before, but you have a unique perspective from which to assess the future of our great country.

I grew up on a farm, until I was 14 years old, that didn't have electricity, and our whole family was constrained very closely to a very narrow part of Georgia. And because of the heavy labor requirements we did not have much flexibility as far as expanding our minds or expanding our hearts or our influence or our interests beyond the farm itself. And then under President Franklin Roosevelt, I think in 1937, we formed the Sumter Electric Membership Corporation, and my father, who was just a farmer, became a director in the local REA chapter. This gave him an opportunity to participate in government. And he would go to the national conventions—once, I remember, he went to Chicago—and he would come up here to Washington as an outspoken farmer to argue for the protection and the expansion of the Rural Electric program.

Our life changed. Our horizons broadened. Later, my father became a member of the Sumter school board, Sumter County school board; later ran for the State legislature. And as a result of that, I got interested in politics and served on the school board, and then ran for the Georgia Senate, and then ran for Governor, and then ran for President. So, you might say that had it not been for the REA program, I would not be President. So I'm thankful for it, along with you.

I understand there's a young man here from Leesburg, Georgia—named Carroll Carter, I don't know if we're related—which is only a few miles from our home, who's also a part of the Sumter Electric Membership Corporation.

Let me say just a word about the future. We live in the greatest nation on Earth. We have an ability to make it even greater in the future. And I think the degree of achievement in a free country like ours, a democracy, depends upon the attitude of those who have a free heart and a free spirit and who are not bound by the mistakes of the present and the past.

You've been able to see it firsthand, from a wide geographical range and from different points of view, how well government can work together with your own family; not to constrain what your family does, but to liberate your family to do even greater things. And because you, in competition with 14 times more people than this, have been honored because of your own leadership to come to Washington, you now have an ability to go back home and to let them know the greatness of our own system of government.

It's not perfect. There's still enough room for improvement. And I would just like to ask you, as a former farmboy myself, to assess what you have received as a heritage from the past, the degree of individuality and freedom of spirit which you enjoy as a citizen of our great country, and with a clear perspective of the future and the courage of your own convictions, to work with me and others to make our country even better.

You and I are partners in a way. The responsibility of our Nation's character and future is on my shoulders, but it's also on yours. And you have a much clearer picture of what our Nation is and what it can be than I had at your age.

So, the future is unlimited for you and for our Nation. It's a clean, good, strong, idealistic, and compassionate nation. And we've formed a system of free enterprise and a system of government con-

trolled by the people that gives us a good basis for future growth and achievement.

I'm thankful for what you've done already, but I'm even more thankful for what you can do and will do in the future.

Thank you for letting me be part of this ceremony.

NOTE: The President spoke at 3:50 p.m. on the South Lawn of the White House to representatives from 24 State electric cooperatives.

## Reception For Black Business Executives

*Remarks at the White House Reception.  
June 14, 1978*

THE PRESIDENT. It is good to see you. Please be seated.

I notice in the New York Times this morning that this is the first time this group has been recognized in the White House by the President. It is not nearly so much an honor for you to come here as it is for me to have you here. I deeply appreciate all the help that many of you have given me in the past, in my campaign to become President, and since I've been in this very important office.

Many of you have been here to the White House to counsel with me and others in shaping the policies of our country. But I noticed in the analysis of your achievements the substantial income that you all have derived from your own efforts. And I was invited by Jessie Hill and Johnny Johnston and Nat Goldstein and Herman Russell and a few others to bring this group in here to ask you to help me balance the Federal budget by—[laughter]—making a contribution to our Nation. And I'm sure you won't object. If you won't do it voluntarily, we'll collect through the Internal Revenue Service. [Laughter]

I think it's accurate to say that this meeting is one that could not possibly have been successful 10, 15 years ago. The dynamism of each one of you individually, your competence, your ambition, the recognition and esteem with which you are held by your customers and your clients, is an achievement in itself. And it's something of which I'm very proud as a leader of our Nation.

I think it's also accurate to say that although many of your businesses evolved primarily within the black community, that the influence has been extensive throughout the entire structure of the American economy. I notice that almost every one of your businesses is growing rapidly, and the competition is increasing to be recognized as one of the top 100. It's very good that the Black Enterprise publication would provide this opportunity for the rest of the Nation to recognize your achievement.

It does me good to stand here and be honored by your presence. And I think it's a real inspiration to Americans of all kinds, white or black, those who speak English fluently, those who perhaps speak Spanish, or those whose families have been here for generations, those whose families have just come, to recognize that in a society like our own, based on free enterprise, freedom, and the slow but rapidly increasing removal of discrimination, that there is an upward mobility possible if one has confidence in the American dream, confidence in oneself, and a respect for those with whom one has to deal.

I've tried to do what I could in a limited way, as President, to recognize the need to overcome past discriminations, the evidence of which still prevails throughout our country. We set a goal, for instance, to have at the end of last year a deposit of \$100 million in black-

owned banks, and we more than met that goal, and we hope to have a higher goal this year.

We introduced legislation for public works jobs with a provision in it that at least 10 percent of all the contracts had to be made with minority-owned businesses, and that's been successful. In the area under Secretary Kreps' direction, early in the year, she achieved more than a 15-percent achievement rate. And other Cabinet officers are now finding that where there was some reticence in their own departments, that when the law was laid down to them, that the goal was not difficult to meet. And I would like for that not to be a special thing in the future, but a natural part of the consciousness of all those in top ranks in Government who make those kinds of decisions.

In the Defense Department and other areas, we are trying to make purchases of routine supplies be channeled more and more into those businesses that are owned by minority citizens. And I believe that this is a trend not only that has been enthusiastically endorsed by many in my own administration but which has been accepted with enthusiasm by almost all Americans. I've not had any adverse reaction accusing us of setting artificial or unwarranted quotas, because I think there is a general recognition that in the past the opportunity has not been there for equal chance at government business and for a chance to compete on an equal basis in a free enterprise system.

We have benefited greatly in our administration, too, by having a large number of black administrators who help shape policy at the Cabinet level and in lower positions as well. And this has provided all of us with a growing insight into how we might have a more equitable opportunity in our great country.

I think the last thing I would like to say is that I need your continued advice.

You are men and women of stature, and others around you look to you for leadership. And I know that quite often, particularly among segments of any society against whom discrimination has been punitive, that you don't have to be in an elected office to speak with a loud and strong voice.

My own early government years were centered around Atlanta. And the university complex there, the business community, the professional community, as well as the governmental community provided a means for white leaders to understand, for the first time, what action could be taken which they might very well have never observed on their own initiative, thinking that they were doing an adequate job in providing equality of opportunity when they really didn't understand the special deprivations that quite often are hidden from those who don't suffer from them.

And I would like for you to provide that service to me throughout my service here in the White House, to give me your strong support when you think I am doing right, to work closely with me and other officials in the Government for counsel in the evolution of new programs, the implementation of programs, and for your tough criticisms when you think I fall short of what I should do to serve the same people who are served by you.

In the areas that don't specifically relate to minority groups, I know that you've reached a degree of influence and a breadth of vision that your efforts don't have to be confined to the black constituency in our country. You serve as Americans, not as black Americans, and I would hope that in the broad areas of civil rights in this country, human rights around the world, domestic affairs and foreign affairs, tax matters and welfare matters, housing, transportation, education, health, that you would use your own



superlative positions in government and in business and in the professions to represent people in a much broader sense.

These are considerations that are very important to me and to you. And I would like there to be formed between me and you a continuing working relationship and a partnership.

This doesn't have to be related at all times directly to me alone. If a matter involves the Defense Department, then Secretary Alexander or Secretary Brown would be the natural one for you to go to. You don't have to come to me. And if it involves trade, exports, commerce, Secretary Kreps is the one for you to approach. And I think you know all the Cabinet officers. If it involves foreign affairs, obviously the Secretary of State or Andy Young would be ones that you could relate to easily.

And I would hope that your own interests would expand far beyond the boundaries of our own country. We have a very great advantage over other nations in the ethnic American groups that comprise our country's population. When I go to Poland, the Polish American group is a reservoir not only of advice and counsel to me about historical occurrences or problems that presently exist in Poland, but they provide an introduction for me to that country in Eastern Europe that I may not be able to get at all through the State Department. But those people who still have relatives and friends who correspond and travel and visit can provide that sound, human basis on which better relations can be predicated.

The same thing, obviously, applies to our long-time friends and allies in Europe—Italy, Germany, France, and so forth. But I think there is a new awakening interest in our country now in Africa. And many of you have a special interest in Africa. You're trusted just because you

happen to be black. And I think one of the greatest things that's happened to me in foreign affairs has been the appointment of Andy Young at the United Nations, who gives a sense of compassion, understanding, sensitivity, trust, the ease of communication, that makes him irreplaceable and also gives him a sense of security so that he's not timid, as you may have noticed, in speaking out when he disagrees with me. [*Laughter*]

Well, you can do the same, perhaps on a more limited basis, but that's the kind of support and help and counsel that I need from you. And of course, all these efforts don't have to be through government. I would hope that if you have a product to export, that you might use your position as a trader in international affairs to strengthen the ties of friendship and understanding between our country and those countries that encompass your new customers.

When I went to Nigeria, for instance, I took Jessie Hill along with me. He is an oldtime friend of mine. And he was able to expand the influence of my presence there many times over. And I think this is the kind of thing that all of you can do.

So, I would just like to say that although you have reached a position of great achievement with justifiable pride and the worth of recognition, I would like for you to keep your horizons broadened in the future, because you are secure now in business and professional achievement. And I would hope that whether or not you ever serve in government on a full-time basis, that you might try to expand the beneficial influence of our country.

You have a great success story to tell and to demonstrate in a personal way, not only for you, your family, your friends, your associates, but also for our

country, which is the greatest nation on Earth.

Thank you very much.

EARL G. GRAVES. *Mr. President, Mrs. Carter, members of the Cabinet and Congress, honored guests:*

On behalf of my fellow business men and women, I want to thank you for hosting this afternoon's briefing and reception and for giving recognition to the significant contributions of black business persons to the health and growth of the Nation's economy. We at Black Enterprise magazine are pleased to have played a part in identifying, highlighting, and bringing to the fore the tenacious and valiant struggle for success so many minority business persons have made and are continuing to make for a share of the American dream.

Today I feel as if the pages of Black Enterprise have come alive in the White House, for we, the chief executives of this Nation's leading black businesses, have all come together in this Nation's Capital on an invitation from the President of the United States to share with him and his administration our economic hopes and concerns, which is indeed an historic moment.

We have come not for a social gathering, but because this President has pledged to do more to help minority enterprise than any other Chief Executive officer in recent history and because he is working hard to right the huge urban ills of this Nation, which affect both our businesses and our lives. We are here to do more than simply hold President Carter to his promises; we are here to do all we can to help this administration in its efforts to strengthen the economic fiber of this Nation and to make certain minority businesses obtain their fair share of American commerce.

We have come offering our input and counsel with the hope that this invitation represents a new level of constructive

communication between the black business community and President Carter and his administration.

Mr. President, on behalf of my fellow business men and women, I would like to present you with a bound copy of this year's Black Enterprise 100.

THE PRESIDENT. I know how intense the competition is. I understand that Mr. Graves has been threatened already with being kicked off the list next year unless he works very hard this year. [*Laughter*]

Thank you again for being here as our guests in your White House. And now my wife and I would like to meet every one of you personally, if you don't object. And perhaps if you would just pause as you shake hands, we would like very much to have a photograph individually with you. So we will meet you outside, both of us.

Thank you.

NOTE: The President spoke at 5:23 p.m. in the State Dining Room at the White House. Earl G. Graves is publisher of Black Enterprise.

## Visit of Prime Minister Desai of India

*Joint Communiqué. June 15, 1978*

At the invitation of President Jimmy Carter, the Prime Minister of the Republic of India, Morarji Desai, paid an official visit to the United States of America between June 9-15, 1978.

In the talks the Indian participants were:

Morarji Desai, Prime Minister, Government of India

Atal Bihari Vajpayee, Minister of External Affairs, Government of India

N. A. Palkhivala, Ambassador of India in Washington

V. Shankar, Principal Secretary to the Prime Minister

J. S. Mehta, Foreign Secretary, External Affairs Ministry and others

The American participants were:

Jimmy Carter, President of the United States of America

Walter Mondale, Vice President of the United States of America

Zbigniew Brzezinski, Assistant to the President for National Security Affairs

Warren Christopher, Acting Secretary of State of the United States of America

David Aaron, Deputy Assistant to the President for National Security Affairs

Robert Goheen, Ambassador of the USA to the Republic of India and others

President Carter and Prime Minister Desai held extensive and useful talks in a spirit of mutual confidence, candor and friendship. They agreed that there has been a significant improvement in bilateral relations over the past year, marked by a comprehensive exchange of correspondence between them and President Carter's visit to India in January 1978. This should be continued and deepened, building upon the common principles enunciated in their Joint Declaration signed in New Delhi in January 1978.<sup>1</sup> They also had a broad exchange of views on major international issues of common concern and reviewed the current situation in South Asia. The views of the two sides reflected wide areas of agreement on the issues discussed.

Prime Minister Desai and President Carter devoted special attention to questions of world peace. They agreed that world peace can only be assured through

effective measures to halt the arms race, particularly in the nuclear field, including the prevention of the proliferation of nuclear weapons and their ultimate elimination. The Prime Minister welcomed the progress being made in CTB and SALT negotiations, as described by the President. They called for a stronger and more effective role for the United Nations in the field of disarmament, and emphasized their active support for the Special Session on Disarmament of the United Nations General Assembly.

The President and the Prime Minister agreed on the urgent need to find a comprehensive, just and lasting solution to the problems of the Middle East. It should be based on Israel's withdrawal from territories occupied as a result of the 1967 war, respect for the legitimate rights of the Palestinian people, and steps to ensure the independence, territorial integrity and security of all states of the region.

The President and the Prime Minister reviewed developments in Africa and agreed that peace, racial equality, stability, and economic development with particular attention to the needs of the individual, were essential elements of their policies toward the continent. They agreed that African problems should be solved without outside intervention which can aggravate regional conflicts and inhibit their resolution.

The President and the Prime Minister agreed that the Ethiopia-Somalia conflict should be resolved by peaceful means, respecting the legitimate aspirations of the peoples of the region within the framework of territorial integrity and in conformity with the principles of the Charters of the United Nations and the Organization of African Unity.

The President and the Prime Minister expressed support for the legitimate aspirations of the African peoples to self-determination and majority rule and they

<sup>1</sup> The text of the declaration is printed on page 17 of this volume.

condemned racism in all forms. They reaffirmed the inalienable right of the peoples of Zimbabwe and Namibia to sovereignty and independent development and the necessity of ensuring a rapid transfer of power to the African majority, in the spirit of pertinent United Nations resolutions.

The President and the Prime Minister reviewed the situation in South Asia and the recent events in Afghanistan. They expressed the hope that while preserving their independent personalities, stability, trust and beneficial cooperation among the countries of the region would continue.

The President described the state of talks between the USA and USSR on the stabilization of their military presence in the Indian Ocean. The Prime Minister expressed the hope that these discussions would continue and result in the eventual removal of all great power military presence in the Ocean.

The President and the Prime Minister had extensive and highly useful discussions on the Indo-U.S. Nuclear Cooperation Agreement and statutory requirements affecting the continued supply of enriched uranium from the United States. They discussed measures to ensure non-proliferation of nuclear weapons, including appropriate universal means of ensuring that nuclear energy is not misused for military purposes. They agreed that the dialogue between the two countries will continue. President Carter pledged to make every effort consistent with American law to maintain fuel supplies for Tarapur and continue nuclear cooperation with India.

The President and the Prime Minister noted with satisfaction the development of economic exchanges between their two countries, and agreed that there is potential for expanding them substantially. President Carter noted that Commerce

Secretary Kreps would visit India later this year to explore that potential.

The President and the Prime Minister welcomed the initiative of the India-U.S. Business Council in implementing a program designed to promote and facilitate cooperation between Indian and U.S. commercial organizations in construction and engineering projects in third countries. The President noted that the International Executive Service Corps would be assigning a highly qualified, retired American businessman to New Delhi this fall to pursue this important Business Council project.

The President and the Prime Minister welcomed the successful conclusion of negotiations for an Indo-U.S. understanding providing for concessions under the Tropical Products Group of the Multilateral Trade Negotiations as an indication of their mutual desire to contribute to a dynamic and open world trading system. They agreed on the desirability of fighting protectionism and working toward a more open and fair global trading system through a successful conclusion to the Multilateral Trade Negotiations. They also agreed on the need for close consultations in these final stages of the negotiations. It was also agreed that contributions from developing countries should not be inconsistent with their individual development, financial and trade needs. They took note of the recent steps taken by India to liberalize foreign trade.

Prime Minister Desai and President Carter reviewed the relations between the world's industrialized and developing nations. They favored further exchanges of views between senior officials from the United States and India, as well as from other developed and developing countries. Through such exchanges both developed and developing countries can improve their understanding of their common interests and responsibilities in

the equitable operation of the global economic system.

The President and the Prime Minister expressed satisfaction on the progress of discussions between the two governments on joint projects in agricultural research, extension and education. They also welcomed the progress made on the design of joint projects in the area of solar technology and expressed the hope that they would be speedily implemented.

Prime Minister Desai met with members of the House of Representatives and the Senate. The talks showed a mutual desire to deepen understanding between the two countries and peoples.

The President and Prime Minister expressed their satisfaction at the results of their talks and agreed to continue the bilateral dialogue through future meetings and correspondence as well as through regular official-level consultations and within the India-U.S. Joint Commission.

Prime Minister Desai also visited New York, California, and Nebraska.

Prime Minister Desai expressed his warm thanks to President Carter for the friendly and hospitable reception extended to him throughout his visit which is the natural expression of the friendship and shared values of the American and Indian peoples. He was particularly pleased that his tour took him to both coasts of the United States and included the opportunity to visit a working farm in the American mid-West.

## United States Ambassador to Upper Volta

*Nomination of Thomas D. Boyatt.  
June 15, 1978*

The President today announced that he will nominate Thomas D. Boyatt, of Cincinnati, Ohio, to be Ambassador Ex-

traordinary and Plenipotentiary of the United States to the Republic of Upper Volta. He would replace Pierre R. Graham, who has resigned.

Boyatt was born March 4, 1933, in Cincinnati. He received a B.A. from Princeton University in 1955 and an M.A. from Fletcher School of Law and Diplomacy in 1956. He served in the U.S. Air Force from 1956 to 1959.

Boyatt joined the Foreign Service in 1960 and was posted in Antofagasta, Luxembourg, and Nicosia, was detailed to the Treasury Department, and took Greek language training. In 1970 and 1971, he was Special Assistant to the Assistant Secretary of State for Near Eastern and South Asian Affairs.

From 1972 to 1974, Boyatt was Country Director for Cyprus at the State Department. He was in the senior seminar in foreign policy at the State Department in 1974 and 1975. Since 1975 he has been Deputy Chief of Mission in Santiago.

## New York City Financing Legislation

*Statement on Action by the Senate Banking  
Committee. June 15, 1978*

Today's action by the Senate Banking Committee represents an historic juncture along New York City's path to economic recovery and financing self-sufficiency. When we first proposed guarantees last winter, the prevailing view was that such legislation could never be enacted. Today's vote reflects national support for the city and the commitment of the Banking Committee to approve a responsible and permanent solution to the city's problem.

I understand that the committee will consider further amendments tonight. We are following continuing developments closely, and I would hope that the committee would not add conditions of a sort that would be inconsistent with our objective of a workable and responsible financing plan.

## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *June 11*

The President returned to the White House following a weekend stay at Camp David, Md.

### *June 12*

The President met at the White House with:

- David L. Aaron, Deputy Assistant for National Security Affairs;
- Frank B. Moore, Assistant to the President for Congressional Liaison;
- Secretary of Health, Education, and Welfare Joseph A. Califano, Jr., and Senator Warren G. Magnuson of Washington;
- Secretary of Housing and Urban Development Patricia Roberts Harris;
- Vice President Walter F. Mondale;
- Vice President Mondale, Secretary of State Cyrus R. Vance, and U.S. Representatives and Alternate Representatives to the 10th Special Session of the United Nations Devoted to Disarmament;
- Senator Maryon Allen of Alabama.

The President hosted a reception for members of the Trilateral Commission in the East Room at the White House.

### *June 13*

The President met at the White House with:

- Mr. Aaron;
- Mr. Moore;
- James T. McIntyre, Jr., Director of the Office of Management and Budget, and Jack H. Watson, Jr., Secretary to the Cabinet and Assistant to the President for Intergovernmental Affairs.

### *June 14*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- Mr. Moore;
- Vice President Mondale, Adm. Stansfield Turner, Director of Central Intelligence, and Dr. Brzezinski;
- Mrs. Carter, for lunch.

### *June 15*

The President met at the White House with:

- Dr. Brzezinski;
- Secretary of Defense Harold Brown, Deputy Secretary of State Warren M. Christopher, Gen. George S. Brown, Chairman of the Joint Chiefs of Staff, Clark M. Clifford, the President's personal emissary to Greece, Turkey, and Cyprus, Mr. Moore, and a group of Congressmen, to discuss lifting the U.S. arms embargo against Turkey;
- representatives of the Business Roundtable;
- John C. White, chairman, and Evan S. Dobelle, treasurer-designate, Democratic National Committee;

—John Ingram, Democratic candidate for the U.S. Senate from North Carolina;

—Senator Floyd K. Haskell of Colorado and a group of Denver business and community leaders.

*June 16*

The President left the White House for a trip to Atlanta, Ga., and Panama.

The President designated Davis Eugene Boster, U.S. Ambassador to Guatemala, as his personal representative, with the rank of Special Ambassador, to attend the ceremonies at the inauguration of Gen. Fernando Romeo Lucas Garcia as President of the Republic of Guatemala, to be held in Guatemala June 29–July 1.

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#### **NOMINATIONS SUBMITTED TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

**Submitted June 13, 1978**

OLIVER JAMES KELLER, JR., of Florida, to be a Commissioner of the United States Parole Commission for a term of 6 years, vice George J. Reed, retired.

**Submitted June 14, 1978**

The following-named persons to be members of the National Advisory Council on Women's Educational Programs for the terms indicated:

*For a term expiring May 8, 1980*

ELIZA MACAULAY CARNEY, of Arizona, vice Sister M. Joyce Rowland, term expired.

GLADYS GUNN, of Ohio, vice Gerald E. Weaver, term expired.

KATHLEEN ELAINE HUMPHREY, of Idaho, vice M. Anne Campbell, term expired.

PAUL PARKS, of Massachusetts, vice Joanne M. Carlson, term expired.

BERNICE SANDLER, of Maryland (reappointment).

#### **NOMINATIONS—Continued**

**Submitted June 14—Continued**

*For a term expiring May 8, 1981*

ELLEN SHERRY HOFFMAN, of the District of Columbia, vice Ernest L. Boyer, resigned.

J. RICHARD ROSSIE, of Tennessee, vice Mary L. Allen, term expired.

JAMES PAUL WADE, JR., of Virginia, to be Chairman of the Military Liaison Committee to the Department of Energy, vice Donald R. Cotter, resigned.

ANTHONY BERTONI, of Michigan, to be United States Marshal for the Eastern District of Michigan for the term of 4 years, vice Anthony E. Rozman, deceased.

**Submitted June 15, 1978**

THOMAS D. BOYATT, of Ohio, a Foreign Service officer of Class two, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Upper Volta.

GERI M. JOSEPH, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of the Netherlands.

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#### **CHECKLIST OF WHITE HOUSE PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released June 12, 1978**

News conference: on Bethlehem Steel's decision on price increases—by Ambassador Robert S. Strauss, Special Representative for Trade Negotiations, and Barry P. Bosworth, Director of the Council on Wage and Price Stability

Announcement: commendation by Robert S. Strauss of the W. R. Grace & Co. for joining in the administration's program of voluntary wage and price restraint

**Released June 14, 1978**

Announcement: nomination of Anthony Bertoni to be United States Marshal for the Eastern District of Michigan

**Released June 15, 1978**

News conference: on the Department of Energy's announcements of new regulations and administrative actions designed to stimulate

**CHECKLIST—Continued**

the currently depressed market for heavy, high sulfur crude oil produced in California, and proposed changes in the entitlements program to equalize subsidies nationwide for residual fuel oil—by Secretary of Energy James R. Schlesinger, Representative Mark W. Hannaford of California, and Kenneth Cory, comptroller of the State of California

Reproductions: Internal Revenue Service final audits for the President's 1973, 1975, and 1976 income tax returns; net worth statements for periods ending Dec. 31, 1976, and Dec. 31, 1977; and 1977 joint income tax return

**Released June 16, 1978**

Announcement: signing of H.R. 11657

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved June 10, 1978**

H.R. 3994\_\_\_\_\_ Private Law 95-39  
An act for the relief of Charles P. Abbott.

**Approved June 12, 1978**

H.R. 11370\_\_\_\_\_ Public Law 95-291  
An act to authorize an appropriation to reimburse certain expenditures for social services provided by the States prior to October 1, 1975, under titles I, IV-A, VI, X, XIV, and XVI of the Social Security Act.

**ACTS APPROVED—Continued**

**Approved June 13, 1978**

H.R. 8423\_\_\_\_\_ Public Law 95-292

An act to amend titles II and XVIII of the Social Security Act to make improvements in the end stage renal disease program presently authorized under section 226 of that Act, and for other purposes.

S. 1792\_\_\_\_\_ Public Law 95-293

An act to amend the Administrative Conference Act.

**Approved June 14, 1978**

S.J. Res. 140\_\_\_\_\_ Public Law 95-294

A joint resolution to authorize and request the President to proclaim June 11, 1978, as "American University Press Day" to commemorate the centennial of university press publishing in America.

**Approved June 16, 1978**

H.R. 11657\_\_\_\_\_ Public Law 95-295

An act to amend the Central, Western, and South Pacific Fisheries Development Act to increase the appropriation authorization through fiscal year 1982, to expand the United States fisheries development effort, and to cooperate in the formation and research of the South Pacific regional fishery agency, and for other purposes.

**Editor's Note**

*Note Concerning the Closing Time of This Issue*

The President left the White House on Friday morning, June 16, for a trip to Atlanta, Ga., and Panama City, Panama. Releases issued on the trip will be printed next week.



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# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, June 23, 1978

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## Atlanta, Georgia

*Remarks to Members of the Southern Baptist Brotherhood Commission.  
June 16, 1978*

*President Jimmy Allen, Ambassador Dennis, Reverend Hardy, my good friend Glendon McCullough, fellow members of the Southern Baptist Brotherhood, fellow Christians, my friends:*

It was almost worth the trip to Atlanta just to discover that Baptists wrote "Blest Be the Tie That Binds" and the words to "My Country Tis of Thee."

I've been reading about the convention with great excitement. I read about the breakfast plans this morning. I understand that Glendon McCullough was trying to finance a cooperative program. [Laughter] This may have worked with Episcopalians and other wealthy people, but Baptists have a limit on what we can contribute for breakfasts. [Laughter] Perhaps if he had asked Anita Bryant this morning, there may have been more success.

This morning, as a Christian, as a Baptist layman, I'm pleased to be here, but I would like to talk to you from the perspective of a President.

I've been in office now not quite a year and a half, and I've seen very clearly that

government touches every life and that what the American Government is touches people in every other nation because of the power, the strength, the influence, the wealth of our country.

This puts a tremendous responsibility on me as a public official, but it also puts a tremendous responsibility on you, every one of you, as American citizens, because in a free society like our own, we are not only blessed with a chance to grow, to learn, to stretch our hearts and minds in total freedom, but our religious convictions teach us how that freedom might be used and the limits of it as we serve others. And in a democracy we know that we shape and control the government to the extent that we are willing to participate and contribute our influence.

So, in effect, as Americans, as Christians, we not only shape our own lives and set an example for our neighbors immediately around us, but we also shape what our country is and what it hopes to be in the future, therefore influencing people throughout the world.

As President, I still look on government in a personal way, which is a surprise to some people. Last year I got a letter from a child who said, "Now that you've been in office for 6 months or so, would you

rather be President or a real person?"

[*Laughter*]

That question has kind of preyed on my mind. And as I prepared my remarks for this morning, I thought about it. And as I speak to you, my brothers and sisters in Christ, I'll keep that before me.

In a modern, fast-changing, technical world, we tend to be dehumanized, stamped out in a pattern. Individual traits that give us a uniqueness in God's world tend to be ironed out and smoothed over. This creates conflicts in us, because there is a difference between our attitude toward our private, inward life and our public, outward life, no matter how broad the scope of our participation might be in public affairs.

I remember in Plains, Georgia—that's a small town which is my home—our house was only about 30, 40 yards from the railroad track. And as a tiny boy I used to stand there and watch those tremendous steam engines go by, and the big yellow wheels, and I would watch the connecting rods pushing forward, pulling back, pushing forward, pulling back, and the wheel went around and the train went forward. And I couldn't understand it for a long time, but now I see very clearly that unless a connecting rod went forward and back, that the wheel could not have continued to turn, and the train could not have made any progress.

Well, we as Baptists, as Christians, as Americans, are trying to make progress. The bold mission effort is a new ideal, a new program, a new commitment, a new concept which lets us as a denomination spread our influence in a beneficent way much more rapidly, much more broadly, than we had contemplated a few years ago.

I've noticed this convention has concentrated on how we might use our position in life to greater influence in the service of God. But quite often we are

much more interested in using our influence for ourselves, for material benefit, for stature, for a good reputation, for influence, even to win in the competition of life than we were or are or possibly will be in God's service.

When I was a naval officer, a scientist, a businessman, I was intensely committed to doing well. I worked many hours every day. I thought at night about how I might do better. When I was a candidate for public office, particularly the last campaign I ran, I gave a hundred percent of everything in me to win, to let the American people know the good side of my character, perhaps to conceal my defects, to let them realize how badly I wanted to serve.

I didn't waste any time and neither did my family, and neither did many friends. But I have to stand here and confess to you that I've never given that much of a sustained commitment to serving God.

But this is not an inherent limit on human beings just because I or perhaps some of you are guilty of that misapplication of priorities, because there have been many times in the past when individual people adopted in their own lives a bold mission, and not only changed their own lives but were able to use their lives in a way that carried on through history.

Abraham Lincoln, Mahatma Gandhi, Martin Luther King, Jr., were people who used their influence in political ways to correct wrongs, to open up new possibilities for other people to expand their hearts, to expand their minds, to live better lives. They lost their lives through violence in this carrying out of a bold mission for themselves.

In our own denomination, we've seen the same thing. Luther Rice, Annie Armstrong, Lottie Moon<sup>1</sup> gave their lives, quite often unrecognized, unappreciated

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<sup>1</sup> Baptist missionaries.

while they were alive, but we know that they transformed the concept of Christian missions because they persevered. They had journeys, a journey inward, a journey outward; inward to find peace of one's spirit, to struggle with doubt, to struggle with fear, to lay one's fears on God, to build up strength to turn outward for an expanded life, a more fruitful life to benefit others.

These two are linked, sometimes shifting from one to another in a matter of a second or two. Sometimes long periods of time are required to shift from an inner finding of one's self to the use of one's self for others. Sometimes Baptists have been too inclined to turn inwardly and to stay that way, within a person, within a home, within a church. That can be a defect, but it's not necessarily good for us to deny, because of a search for inner peace, the rest of the world. As we know ourselves, we know God better. We are able to face fears, leading to a full life.

Some of us in public service turn to politics, to public service on a full-time basis. This is not contrary to Christian beliefs. Isaiah, Jeremiah pronounced God's judgment in the very center of political power.

So, there is no conflict that prevents bringing one's personal religious life together with the political arena. There is a danger, obviously, of conflict, of collusion—Baptists are very much aware of that.

Thomas Jefferson, in the original days of our country, said that he was fearful that the church might influence the state to take away human liberty. Roger Williams, who created the first Baptist church in our country, was afraid that the church might be corrupted by the state. These concerns led to the first amendment, which prohibits the establishment of any official state church, and on the other hand, in the same sentence, pro-

hibits the passing of any laws that might interfere with religious freedom.

Separation is specified in the law, but for a religious person, there is nothing wrong with bringing these two together, because you can't divorce religious beliefs from public service. And at the same time, of course, in public office you cannot impose your own religious beliefs on others.

I have never detected nor experienced any conflict between God's will and my political duty. It's obvious that when I violate one, at the same time I violate the other.

Politics is not unsavory. It's not degrading. It's not something of which we need to be ashamed. In my acceptance speech at the Democratic Convention almost 2 years ago, I said that I wanted an opportunity to translate, aggressively translate love into simple justice. Well, that's my chance as one individual, no better than you, to adopt a bold mission.

All of us in this room, in our own special way, are influential. And we know that Christ says that unto whomsoever much is given, much will be required, and to whom men commit much, they will demand more.

Too many of us as Americans, as Christians, are derelict in the duty of taking our influence, our power, our wealth, our free time, and dealing with those issues that still remain as a great challenge to us all. We tend to even ignore the fact that challenges are there.

I'll just give you one example: human rights. More than a century ago, our ancestors, yours and mine, were in the forefront of those dedicated to the preservation of slavery. More recently, you and I were not in the forefront of those dedicated to eliminating segregation, racial discrimination among our own neighborhood, friends, particularly in the

South. We've spoken with a voice on this basic issue that's too timid.

I was pleased this morning to read in the New York Times the absolutely beautiful resolution passed by the Southern Baptist Convention concerning human rights. But the passage of a resolution is not enough, unless we as individuals reach out in our own community, in our Nation, around the world, to detect and to destroy those elements of life which still interfere with the realization of those hopes and dreams of people who are afflicted and deprived.

I hope that our country never again turns its back because of convenience or embarrassment as we did when millions of Jews lost their lives in the Holocaust during the Second World War. Of course, this is just one example, and in my office at the White House, I have to deal with many domestic problems, many other international problems: peace, freedom, nuclear explosives, the sale of weapons, terrorism, rapidly expanding populations without food. But this is more than a list of political problems. These are also for you and me moral problems, because they violate the very precepts of God in which we believe.

Reinhold Niebuhr, in his book "Moral Man and Immoral Society," pointed out the difference between a society and people. The expectations and demands on a person are a much higher standard. A person should have as our goal complete agape love. The most we can expect from a society is to institute simple justice.

So, we as people have to be better, particularly if we are blessed with the opportunity to demonstrate our worth. Leaders also have to be careful not to be too timid.

Sometimes we are reluctant to deal with a complicated issue or a contentious issue; controversy scares us. There's no doubt in my mind that adopting a com-

mitment for a bold mission program is fraught with difficulties and the prospect of failure, and no one likes to fail because you bring upon yourself, if you obviously fail, a bad reputation, derision, scorn, embarrassment. And sometimes the best way to avoid failure is not to try very hard, not to be in the center of a noble effort, or to quit soon enough so you will not be associated in the end with disappointment.

I want our country to be preeminent in many ways, not just preeminent in military might but preeminent in those characteristics of which we can all be proud after careful scrutiny. I want our country to be strong enough in all these elements, military and otherwise, so we never have to prove we are strong.

As you know, a person who is strong and knows it can then afford not to prove it and can be gentle and fair and patient and understanding and generous.

When I leave here in a few minutes I'll go to Panama to exchange documents of ratification of the new treaties concerning the canal, which the Senate has passed now with more than a two-thirds vote.

This has been a difficult issue, but our Nation has spoken, and we've shown that we are strong, powerful, but we are also generous, we are also fair, we treat other people as equals.

We know that our security is bound up with that of others. We cannot any more depend upon the isolation of friendly neighbors and deep oceans. And we cannot any more depend upon a dominant military force, which we did have a few years ago, with a monopoly on nuclear weapons.

So, we cannot ignore others because we are isolated. We cannot dominate others any more because we are strong. We have a new opportunity, a new responsibility. And how we handle this changing factor

in an international world will be a measure of our emotional and our spiritual maturity.

Power, wealth, is not enough. We must be willing and able to analyze our own faults. And I think anyone knows that the character of American life has been tested and the fabric held together as we experienced the Vietnam war, the Watergate disgraces, the revelations about the CIA.

Our country was tested, and because our people had an inner strength, our country has not been permanently damaged, but my judgment is that it's now stronger than ever.

So, a country will have authority and influence because of moral factors, not military factors; because it can be humble and not blatant and arrogant; because our people and our country want to serve others and not dominate others. As a person has a conflict with God, we know that because of that we have conflict with our fellow human beings. And a nation without morality will soon lose its influence around the world.

So, to close, let me say this: A nation, like a person, has to continually be on an inward journey and an outward journey, and we grow stronger in the process. There's a relationship between personal leadership and a people.

Moses demonstrated this, as you know, when God called him to lead the Israelites out of Egypt. He was not ready to assume that responsibility until he had spent 40 years tending sheep, acquiring a family, discussing the problems with his father-in-law, Jethro. And he finally was able, reluctantly, to turn to God for help and support and a kind of a partnership, and then he was able to work with and sometimes against the people of Israel as they made their long, tortuous journey.

What are the goals of a person or a denomination or a country? They are all

remarkably the same: a desire for peace, a need for humility, for examining one's faults and turning away from them; a commitment to human rights in the broadest sense of the word, based on a moral society concerned with the alleviation of suffering because of deprivation or hatred or hunger or physical affliction; and a willingness, even an eagerness, to share one's ideals, one's faith with others, to translate love in a person to justice.

Thomas Jefferson, as he considered what the emblem of our Nation ought to be, the Seal of the United States, suggested that it be a picture of the people of Israel following a cloud and a column of fire, because he saw this inner journey and the outward journey interrelated, and also visualized, although he was not a very deeply religious man on the outside, he saw that dependence on God was good for his new Nation that he loved.

So, the great outward journey of the Israelites, of our own Nation, was based on an inward journey, where peace was derived from an inner strength and an awareness of the will of God and a willingness to carry this will out.

We cannot succeed without this. Moses couldn't. Lincoln couldn't. Lottie Moon couldn't. And neither can we as Baptists, Christians, or as Americans.

NOTE: The President spoke at 10:47 a.m. at the Omni International Coliseum to the commission's National Conference of Baptist Men. In his opening remarks, he referred to Jimmy Allen, president of the Southern Baptist Convention, Francis A. Dennis, Liberian Ambassador to the United States, William E. Hardy, chairman of the board of trustees, and Glendon McCullough, executive director, Southern Baptist Brotherhood Commission, an agency of the Southern Baptist Convention.

Prior to his remarks, the President presented certificates of special recognition on behalf of the Brotherhood Commission to Curtis Hickman and William White for their work in the commission's programs.

## Visit to Panama

*Remarks at the Welcoming Ceremony.  
June 16, 1978*

*President Lakas, General Torrijos, my friends from Panama and the United States, and to the children from the schools of Panama who so enthusiastically have sung our national anthems:*

To all of them, I wish to express my thanks for having given such a happy beginning to our visit. Thank you.

I have looked forward to this trip for a long time. As all of you know, the relations between the United States and Panama have been an important part of my daily work since the day I became President. I have learned a great deal about the history and accomplishments of the Panamanian nation, and about the pride and determination of the Panamanian people. So, I don't come to you as a stranger, but as a friend and partner.

Throughout the long negotiations and debate on the canal treaties, our two nations have been blessed with the continuing encouragement of our friends in the hemisphere. I especially appreciate the fact that the leaders of five Latin American and Caribbean democracies are here in Panama today as a testimony to the significance of this historic transfer.

We meet as neighbors—some richer, some larger, some with resources vital to the others, each with different needs and problems. But we share the common goal of creating a world where all people may devote their energies to improving human life.

In the years since World War II, much of the Earth's geography has been redrawn—colonial empires have dissolved, and new, sovereign nations have been born. The control of many of the passages, both natural and manmade, that connect the Earth's lands and seas has shifted from one nation to another. Too much blood,

too much strife, too much bitterness, have gone into many of these changes.

But transferring control of the Panama Canal continues and strengthens the bond that was forged between our nations in its building. There will be no bloodshed, no bitterness, no instant when the path between the Earth's two great oceans will be closed.

This is a moment of great historic promise. The nations of our hemisphere are embarking on a new, more equal relationship. For 75 years the United States and Panama have been friends. Now we will also be partners, setting an example for the world of how nations can resolve their differences peacefully and to their mutual benefit, thus ensuring that the responsible, long-term management of an important international resource, instead of being endangered, will be forever guaranteed.

Thank you.

NOTE: The President spoke at 3:10 p.m. at Tocumen International Airport in Panama City in response to remarks by Brig. Gen. Omar Torrijos Herrera, Chief of the Government and Commander of the National Guard of Panama. Demetrio B. Lakas is President of Panama.

The President spoke in Spanish, and the translation of his remarks follows the transcript.

## Visit to Panama

*Remarks on Signing the Protocol of Exchange of Instruments of Ratification Regarding the Panama Canal Treaties. June 16, 1978*

*General Torrijos, President Lakas, President Pérez, President López Michelsen, President López Portillo, President Carazo, Prime Minister Manley, distinguished guests and friends:*

First of all, I want to thank General Torrijos and President Lakas for their invitation to participate in this great ceremony.

I came to Panama and accepted this in-

vation, because I want to dramatize my appreciation for this great achievement—a firmer, more productive friendship between the United States of America and the Republic of Panama and, more broadly, a gain for the cause of peace and cooperation among all nations.

We are honored by the presence of the leaders of the five democratic countries who gave encouragement to us and advice to both nations during the final treaty negotiations. I'm grateful to them not only for the serious and helpful role they played in those final days and weeks but also for their continuing leadership in dealing with such crucial matters as world peace, nuclear nonproliferation, the status of human rights and democratic governments, and better relationships between the developed nations and the developing countries of the world.

It is now three quarters of a century since the first spade of earth was turned in the building of the Panama Canal. This path between two seas remains one of the greatest and most benevolent creations ever wrought by human labor and by human ingenuity.

As a neutral artery for the ships of all nations, the canal has contributed immensely to the peaceful work of the world. The treaties we solemnize today will help perpetuate that peaceful work for many generations to come.

Under the treaties, our two governments agree to maintain the neutrality and security of the canal. At the same time, we reaffirm our commitment to honor national sovereignty and the principle of nonintervention. These principles are enshrined in the charters of the Organization of American States and the United Nations.

During the long and difficult negotiations, both sides held to a vision of friendship and good will. Both sides were determined to build a new relationship of

mutual respect, fairness, and equity. Because of that vision, because of that determination, we were finally able to reach agreement.

Now, after 14 years on opposite sides of the bargaining table, we sit together as partners. We are equally committed to putting into practice the agreements we have forged. During the period of transition which lies ahead, the United States and Panama will be working closely together. Both our countries want that transition to be smooth and effective.

Under the treaties, both nations are committed to safeguarding the interests of those Americans and Panamanians who have operated the canal so efficiently and so expertly during its period of American stewardship.

Together, our two countries have set an example for peaceful and successful negotiation that has few parallels in history. We have demonstrated our mutual sincerity and good will. In the face of disagreements not only between the two nations but within the nations themselves, disagreements that were initially very deep, in the face of our vast disparity in size and power, we dealt with each other in good faith as equals and with equal determination to overcome all differences.

During the years ahead we will work as partners to make the promise of the treaties a reality. We, the people of the United States, and you, the people of Panama, still have history to make together.

Thank you very much.

NOTE: The President spoke at 4:25 p.m. at the Coliseo-Gimnasio Nuevo Panama (Panama City Coliseum) in response to remarks by General Torrijos.

Also present at the ceremony were President Carlos Andrés Pérez of Venezuela, President Alfonso López Michelsen of Colombia, President José López Portillo of Mexico, President Rodrigo Carazo Odio of Costa Rica, and Prime Minister Michael N. Manley of Jamaica.

## Visit to Panama

*Remarks at the Cinco de Mayo Plaza.  
June 16, 1978*

*General Torrijos, dear friends of Panama, leaders from the other countries:*

It is a great day for the people of Panama and the people of the United States. Thank you very much. Thank you all.

This day marks the beginning of a new partnership between Panama and the United States. The new treaties embody our mutual commitment to work together to assure that the Panama Canal shall always remain open, secure, and accessible to the vessels of all nations.

With the help of the five great American democracies whose leaders are with us today, Panama and the United States reached an agreement. In the process we breathed new life into old principles—principles of peace, nonintervention, mutual respect, and cooperation.

It is easy to honor these principles in theory. What our two countries have done is much harder and much more meaningful. We have made them the basis for action. We have shown that even great changes in international relations—changes that involve deep emotions and powerful material interests—can be accomplished through putting these principles to work.

That is why the significance of our joint achievement goes far beyond the special concerns of the United States and Panama. That is why I believe that we stand on the threshold of a new era of inter-American understanding and cooperation.

Let us now apply these principles to the overriding concerns of our hemisphere—peace, human rights and dignity, and economic development.

Let us resolve anew to settle the remaining territorial disputes in our hemi-

sphere through peaceful negotiation. Let us work together to bring into effect the Treaty of Tlatelolco, which bans nuclear weapons from Latin America.

Let us advance the cause of human dignity and build a hemisphere in which citizens of every country are free from torture and arbitrary arrest, free to speak and write as they please, free to participate in the determination of their own destiny.

Let us build a fairer, more cooperative international economy, one which fosters social justice and helps the world's poor lift themselves out of misery.

As we move toward these goals, we will need not new slogans, but a new spirit. In the peaceful process of negotiating the treaties, we have shown the world a spirit which recognizes and respects the rights of others and seeks to help all people to fulfill their legitimate aspirations with confidence and dignity. That spirit must continue to bind us together in the years to come—the people of Panama and the United States and the people of all the Americas who are working to bring into being a hemisphere free from war, free from want, and free from any oppression of human liberty.

Thank you all.

NOTE: The President spoke at 6 p.m. at the plaza in Panama City in response to remarks by General Torrijos. He spoke in Spanish, and the translation of his remarks follows the transcript.

## Visit to Panama

*Remarks at a Reception for Visiting Dignitaries. June 16, 1978*

First of all, let me say that this has been a wonderful experience for all of us from the United States to come here and be received with such great hospitality by



President Lakas and by General Torrijos, their wives, and the people of Panama. And we're also deeply honored to have the presence of those who have been instrumental through their encouragement, through their tough criticisms when we were laggard in proceeding, to inspire us to reach an agreement that would be not only good for us but for the people of Panama and, I hope, the entire hemisphere.

This evening's entertainment will follow a very productive discussion among six of us who represent people hungry for peace, hungry for a better life for our people, and hungry for a constant consultation whereby we might derive from one another both inspiration and wisdom. So, I would like to ask the interpreter to repeat those words, and then I would like to add some other comments, very brief, about our negotiators and about the United States Senators who have also made this action possible.

After the difficult debates in our country, it's also a great pleasure to be among so many people who are in favor of the ratification of the treaties. I wish we had Mr. George Gallup up here tonight to take a poll among this group. *[Laughter]*

I know that the people of Panama have become acquainted with the Senators of the United States. We have a group of about 10 or 12 Senators who have come down here. If you don't know them by looking at their faces, you know them by their voices. We brought the good voices with us, and I think it's very important that you recognize their leadership and courage.

As has been the case in Panama, this was a very difficult decision for our Nation to make, because we have always been very proud of the Panama Canal and proud of the way it was built and managed and proud of the peaceful way in which it has been maintained for the

world. And we have proven, through a two-thirds vote under very difficult political circumstances, the commitment of the American people to these treaties. And I think it might be good to compliment the Senate, too, on the fast action they took—only 38 days—whereas the negotiators had taken, as you know, 14 years. This is a credit to the Senate, and I want to express those words as well.

In conclusion, I would like to recognize the negotiators who, with great patience and great determination and great wisdom, overcame immense difficulties in reaching a successful conclusion. I believe that the agreement which has now been reached between Panama and the United States of America has established a degree of momentum that will lead to even greater cooperation and friendship in the years to come.

I understand that we had too much momentum during the negotiations, that Ambassador Bunker now owns Contadora Island. *[Laughter]* And I understand that Ambassador Lewis owns the farm that Ambassador Bunker thought he had in Vermont. It happened that in 1903 Ambassador Bunker bought this from a Frenchman, and because of that, Ambassador Lewis claimed it as his own. *[Laughter]*

So, we have perhaps overnegotiated, but we've established a spirit of compromise, friendship, and a momentum which, in my opinion, will pay rich dividends in the future for our two countries and for others who have observed this great accomplishment.

And my strongest feeling at this moment is to express my appreciation to those of Panama and to those of our own country and to those who helped them. And I would like to say thanks to the negotiators, who made this possible.

NOTE: The President spoke at 8:30 p.m. in the Yellow Room at the Palacio Presidencial.

## Visit to Panama

*Toast at the State Dinner. June 17, 1978*

*General Torrijos, President Lakas, President Pérez, President Michelsen, President Carazo, Prime Minister Manley, distinguished friends from Panama and the United States:*

It's a great pleasure for me to be in a country where people are so hospitable and friendly, where the President has the first name of Jimmy and the Foreign Minister is a graduate of the University of Georgia, and where the Chief of State is the only person in the world that knows better than I do the Senators of the United States. [Laughter]

I noticed tonight that when he has not met the Senators before, as soon as he hears their voice, he knows who it is. [Laughter] We've brought the Senators with good voices. [Laughter]

We have found the Panamanian negotiators and their Chief of State to be tough, prudent, fair, tenacious, friendly, and gracious.

As we move toward a time of increased friendship, equality, and partnership, many people in the United States have taken the time and effort to learn more about Panama. We have learned about the pride of the people, their dignity, and we've seen at first hand now the tremendous new investment, under this administration, in those who in the past have been deprived and poor.

We have seen the rapid development of the poor in the rural and urban areas and the heavy investment that has been made in alleviating hunger here, increasing the economic well-being of the people, and the heavy emphasis on better health care and better education. Primary education is available to all, and the enrollment in the schools increased, at one time, 80 percent in just 3 years.

I grew up on a farm in Georgia that did not have running water, and I've observed the statistics that show that formerly less than 50 percent of the people in this country had running, fresh water. Now more than 85 percent are scheduled to have this very basic need filled by the year 1980.

General Torrijos has a great slogan. He wants to do away with the class struggle and have a classroom struggle instead.

We in the United States know that the world is changing. We've recognized this fact by establishing a new relationship with our longtime friend and neighbor, Panama. And I believe that we have now seen the clear need to recognize the innate and sacred sovereignty of the people in this great country, to reaffirm our commitment to the principle of nonintervention, and to face the future with a realization of the benefits to us as well as to Panama from a new partnership that has now been formed.

My friend Omar Torrijos and I have decided to serve our nations in a time without challenge and without difficulty. [Laughter]

We have been successful, I believe, in convincing the people of both nations that the difficult decisions that have been made were the proper ones. And the reception today is a vivid demonstration, beyond anything we had anticipated or had hoped for, that there is a deep and abiding friendship among the Panamanian people for those of the United States. And we share the same feeling for your people, General Torrijos.

The years ahead will not be easy. There will inevitably be differences of opinion, and perhaps the partnership which we celebrate this evening will have its trying moments. But with the foundation of friendship and mutual trust and good will and easy communication between us, there is no doubt in my mind that we can

protect and preserve the Panama Canal for the benefit of our people and for the benefit of the world and minimize those differences that might otherwise cause dissension among our people.

I look forward to this coming time, and I believe that we can avoid any challenge to this commitment which we have made together.

After the interpreter repeats my next toast, I would like for us to drink to General Torrijos for his patience and determination, to President Lakas for his leadership which inspired the Panamanian people to approve the terms of the treaty, to the people of this great country for their sense of equality and their sense of trust and their willingness to assume a new partnership, to the leaders and people of Latin America, and to the principles which bind us together—liberty, dignity, equality, mutual respect, peace, and permanent friendship.

NOTE: The President spoke at 12:10 a.m. at the Old Golf Club. President López Michelsen of Colombia responded to the President's toast.

## Visit to Panama

***Joint Statement Issued Following Multilateral Discussions. June 17, 1978***

The Presidents of Colombia, Costa Rica, the United States and Venezuela, the Chief of Government of Panama, and the Prime Minister of Jamaica, present in Panama City on the occasion of the exchange of the Instruments of Ratification of the Panama Canal Treaties between the Republic of Panama and the United States of America, the culmination of a process with which we have been directly concerned, expressed the belief that the treaties represent an historic step forward in inter-American relations. These treaties symbolize a fundamental

respect for sovereignty and a cooperative spirit which can motivate all countries to address the difficult problems which affect all the world.

They believe that the Panama Canal treaties demonstrate how all of us can work together in a new spirit of cooperation to shape the future in accordance with our ideals and to resolve all areas of friction in the region by peaceful means. They are determined to build on this example so that attention can be focused on economic cooperation and integration in order to promote socioeconomic development and thereby strengthen solidarity among the peoples of the Americas.

Accordingly, they pledge to work actively and in cooperation with each other and with other states.

To promote world peace, they pledge:

—To work to bring into effect the Treaty of Tlatelolco banning nuclear weapons from Latin America and the Caribbean.

—To strengthen the peacekeeping machinery of the Organization of American States and the United Nations.

—To work toward an effective regional limitation of conventional armaments based on cooperation among suppliers and purchasers to put an end to their acquisition for offensive purposes. They are deeply concerned about the waste of resources to purchase arms and are therefore encouraged by the decision of the countries which signed the Ayacucho Declaration to renew their determination to find a new agreement to limit purchases of weapons. They also hope that the Ayacucho example will be expanded to include all Latin American countries, and perhaps to other regions as well.

—To use their good offices and cooperation to encourage the solution of international disputes and to reduce areas of tension in the hemisphere. They hope

that the patience and mutual respect which led to the successful negotiation of the canal treaties will help countries to resolve such problems and points of controversy in a mutually helpful way.

—To consult on a regular and continuous basis on a wide range of international issues in order to reduce the differences between national policies and increase the likelihood of reaching mutual agreement.

To promote greater respect for human rights and to widen the scope of international action in the defense of human dignity, they pledge:

—To strengthen the autonomy and capabilities of the Inter-American Commission on Human Rights.

—To work to bring the American Convention on Human Rights into effect in this year, the 30th anniversary of the Universal Declaration of Human Rights. The leaders viewed with sympathy the offer made by Costa Rica for San Jose to be the site of a proposed Inter-American Court on Human Rights, conscious of the advantages of this site.

—To speak out for human rights and fundamental freedoms everywhere and to work to eliminate repression.

—To facilitate the development of conditions that would promote democracy with popular and effective participation. In particular, they express gratification that the will of the people of the Dominican Republic was freely expressed in elections last month, and they reiterate their hope and understanding that the electoral commission in the Dominican Republic will adhere faithfully to the integrity of the democratic process.

—To work through international organizations to strengthen the juridical foundations of political, social, and economic rights.

To move forward toward a more just and equitable international economic

system and to insure that ongoing multilateral negotiations, including those on the Common Fund and debt, are pursued expeditiously with the goal of bringing concrete and significant results for the benefit of all countries, particularly for the developing countries, and to help raise the living standards of the world's poor, they pledge:

—To help alleviate hunger and poverty by emphasizing food production and studying the implications of rapid population growth.

—To complete the work of the Multilateral Trade Negotiations in Geneva and thereby reduce trade barriers and increase the participation of developing countries in an improved world trading system.

—To seek ways to improve the efficiency, growth, equity, and stability of commodity markets, and to seek to bring into effect the International Sugar Agreement, the International Coffee Agreement, and other commodity agreements which will have the purpose of establishing fair prices for the products of developing countries. In particular, they consider that the achievement of equitable agreements of this character will strengthen political stability and promote regional solidarity and will benefit both producers and consumers of such products.

—To support fully the work and capital replenishments of the Inter-American Development Bank and the World Bank.

—To give full support to the Caribbean Group for Cooperation in Economic Development and in other ways to encourage the economic development of the region.

They also wish to express their strong support for negotiations in the United Nations toward the conclusion of a treaty prohibiting bribery and illicit payments in international transactions.

In pledging themselves to these objectives, they invite all states to join with them in this spirit of cooperation to work actively for peace, human rights, participatory government, and a just and equitable international economic system.

NOTE: The multilateral discussions were held in the Panama Room at the El Panama Hotel. The first meeting took place on the evening of June 16, and the second meeting was held on the morning of June 17.

## Visit to Panama

*Remarks at Fort Clayton. June 17, 1978*

*Distinguished officials who have operated and defended the canal, who have performed superb service for our Government, who are an integral and admired part of the American community:*

I come here with a sense of history, a sense of appreciation for what you have accomplished and are accomplishing for our country, a sense of gratitude to you.

A few months ago as I was visiting with David McCulloch, who wrote the book "The Path Between the Seas," I began to sense and to feel the enthusiasm for the extraordinary engineering achievement that the canal represents.

I've just returned from a flight over the canal to see the beautiful operation of it. I've been looking forward to a chance to visit Fort Clayton, Miraflores Locks, so that I could see firsthand the professionalism and the dedication that make this canal work and which keep the canal secure.

I'm very proud of those of you who belong to the various military components of the Southern Command. I was in the Navy for 11 years. And as you well know, we depended on the Army to take care of the canal so that we could go from one—[*applause*]—

Through a long and difficult period you've maintained a very high level of preparedness for the defense of the canal and for the protection of American lives and property and for the representation of the spirit and character of the United States in the most superb way. It's your effort and your training that have kept Americans assured of our strength and our security here, and I thank you for it.

Those of you who are civilians, both Americans and Panamanians, have contributed immeasurably to the operation of the canal. My life would be easier if every Government employee showed the same consistent combination of efficiency and talent as your group does, and we all appreciate this superb performance. You always do your job and you do it well.

For many years, the legal arrangements governing the Panama Canal and the zone have been a source of contention and argument and dispute between the United States and Panama. Most people who looked at the situation agreed that some change, of some kind, was called for. I think most of you who live in the canal agree with that statement. We disagreed not about whether there should be changes, but what those changes ought to be.

As you know, my predecessors in the White House, President Ford, President Nixon, President Johnson, President Kennedy, understood that some changes had to be made. I know each of you has known you were defending American interests here in the Canal Zone, and I respect your convictions and your spirit and your loyalty to your country, even though we did not always agree about the best course to take.

The Senate of the United States has acted, and the treaties are now a fact. I'm not here to justify them, or to suggest that if you understood the treaties better that you would like them. I know

that you understand them, because for you, they are not just a distant and impersonal foreign policy abstraction, but something that alters your lives in a direct and immediate way.

You know, as I do, that a great deal will change as a result of these treaties. A few of you will be leaving the only place on Earth you've ever called home. That's a hard and a painful thing to do. The adjustments and uncertainties that you now face will not be easy. I understand that.

I understand, too, why you love this place. Seventy-five years ago, Americans came here as builders. In quiet ways, often unrecognized, often unappreciated, we have been builders ever since. For all the rest of your lives, every one of you will be proud, and justifiably so, to have been part of this canal, proud of what you've built and protected and loved.

That is evident, not only from what you say but what you do. The care and affection which you continue to show in the operation of the canal is clear evidence of the deep feeling which you and the American people have for the canal. So, I come here today not to win you over to the decision made by me and the American Congress, but because there are two things that I want very much to say.

First, the American people and I appreciate what you are doing here and, secondly, the American people and I care what happens to you.

In the millions of words spoken and written about the treaties, our appreciation and our concern have not been clearly expressed. We've tried to demonstrate these sentiments in the treaties as well as in the separate agreements and the annexes.

The rights of American workers will be protected. The treaties guarantee to employees:

First, in general, terms and conditions of employees which are no less favorable than they are now; nothing will be done to decrease the quality of your status as employees; secondly, the right to collective bargaining and, as you know, for the next 22 years, the entity with which you will bargain will be a part of the United States Government; third, optional early retirement for those who desire it.

We hope that as you understand clearly the conditions under which you will be working and living, that you will decide to stay on as a constructive and a helpful and a dependable employee. But if there should be individual instances where you find this not to be true, then earlier retirement benefits will be made available to you so that you will not suffer under any circumstances.

The United States Government will be responsible to you for implementing the treaty provisions fully and fairly. We will continue to do so in the enabling legislation which the Congress will begin to consider later this year and next year.

We will see to it that this enabling legislation ensures government-wide job placement and liberalized retirement benefits, better than those that you have now. To the limit of our ability in an international agreement, our negotiations with Panama have sought to secure your rights and your welfare and your safety and your peace of mind.

For example, we've tried to preserve during the life of the treaty as many as possible of the civil liberties that Americans cherish. To ensure that they will be respected, I discussed them with the Panamanian officials yesterday and told them of the importance that we attach to these basic and important rights.

Everyone understands that we want to enter upon a new era of harmonious cooperation and good will between the people of Panama and the Americans associated with the canal and that there is no

room for bad faith in that relationship. It requires a hospitable and a cordial attitude, not only on our part but Panama's as well.

I think all of you may have observed yesterday a tremendous outpouring of appreciation and friendship expressed by the Panamanian people. The largest crowd that I have ever seen came out in a spirit of appreciation and commitment to a good partnership in the future, based on mutual respect, a desire for peace and a realization that the operation of the canal without interruption is important not only to our two countries and our people but to the rest of the world. We know that Panama will show strict regard for all its responsibilities toward you.

We've also tried to carry out our obligation to you by ensuring that the terms and conditions of your employment will generally stay the same when the treaty goes into effect. We know that the circumstances under which you work matter a great deal, as do good schools, medical care, and other services. These have not been neglected in the long negotiations over the last 14 years.

According to the treaties, the canal will increasingly be a place of Panamanian employment. Some of you might leave very soon; others will remain for many, many years. I'm relying on all of you to help make this transition as smooth as possible. That is your duty, your responsibility, and the people of both nations expect nothing less. You've never disappointed our country in the past; I'm sure you will not do so in the future.

We are trying and we hope that you will help us to succeed to bring about a successful new chapter in the history of the canal that you've managed and cared for so long. You've brought credit to yourselves and to your country by operating the canal efficiently, honestly, and honorably for the benefit of all nations.

The time when this was America's job alone is now coming to an end. The treaties reflect that time, and in so doing, they help guarantee that the rest of the world will recognize our essential fairness and decency as a people.

The future of this waterway will depend upon the cooperation and the understanding of both Panamanians and Americans. I know that some day we will join in looking back with admiration and respect at the dedication and devotion of the thousands of employees, American and Panamanian, who made and continue to make the canal one of the supreme human achievements of all time.

That's part of the history of our great country. That's part of the future of our great country. In this time of change, as President of the United States, you can consider me to be a partner of yours.

I've instructed all the officials, both military and civilian, in this Canal Zone to contact me directly to alleviate any concerns, any maladministration, any differences between ourselves and the people of Panama as these changing times approach.

And to close my statements to you, I'd like to repeat again that as the leader of our great Nation, the greatest on Earth, I'm proud of what you have done in the past, what you are doing today. And I have complete confidence that you will continue to represent our Nation in the finest spirit of dedication, of competence, and of good will in the years to come.

Thank you everyone. God bless you.

NOTE: The President spoke at 10:40 a.m. at Jarman Field.

Following his remarks, the President went to the Miraflores Locks, where he operated the controls which allowed the passage of the container ship *American Apollo* to pass through the locks. He then went to a picnic site overlooking the locks, where he had a working luncheon with approximately 2 dozen residents of the Canal Zone.

## Federal Emergency Management Agency

**Remarks Announcing Reorganization Plan No. 3 of 1978. June 19, 1978**

I have an important announcement to make this afternoon concerning how we might make our own Government better able to deal with the potential disasters that affect our Nation from both natural and manmade causes.

Responsibility for emergency preparedness concerning civil disasters rests primarily with the State governments. But obviously the Federal Government can and does assist in preparing for and dealing with the effects of natural and man-made disasters.

When I was Governor, I saw during several emergencies, several each year, how important it was for governments to cooperate in crisis situations. And I want to be certain that this ability to work together is increasingly clear and unobstructed. One of the problems that State and local officials have had to face is the complexity and confusion and the fragmented nature of Federal programs. The Governors have been vocal and unanimous in calling for reorganization.

Today, I'm submitting to Congress a proposal which meets their needs. It will consolidate five existing Federal agencies and six additional disaster-related responsibilities into a single structure. They will merge programs involved with preparedness, mitigation, and response to national emergencies.

We've been trying to accomplish several very important objectives. We want to make a single agency responsible for these efforts. This will make government more accountable and will provide increased cooperation among governments.

We also want to use emergency resources for both natural disasters and civil preparedness. This will reduce waste and inefficiency in government operations. We want to bring together for the first time programs aimed at preventing and mitigating the effects of potential national disasters, such as floods and fire, with those designated to deal with these disasters once they occur.

By consolidating emergency functions into a single agency, reporting directly to me, we will make our readiness programs more visible, and we can integrate these better with programs of the States and local governments, with private industry, and with volunteer organizations.

The Secretary of Defense, acting with the National Security Council, will provide oversight of the new agency's civil defense programs and policies. I'm pleased that we've already received endorsements for this reorganization proposal from the National Governors Association, the Fire Service Associations, the United States Civil Defense Council, the National Association of State Directors for Disaster Preparedness, as well as a coalition of voluntary associations active in disaster relief.

With this broad support from public and private sectors, I hope that our plan will be enthusiastically received by the Congress.

Thank you very much.

Jim.

REPORTER. Mr. President, are you a strong believer in civil defense now?

THE PRESIDENT. Now and before.

NOTE: The President spoke at 1:15 p.m. to reporters assembled in the Briefing Room at the White House. Following his remarks, James T. McIntyre, Jr., Director of the Office of Management and Budget, and Bardyl Tirana, Director of the Defense Civil Preparedness Agency, held a news conference on the reorganization plan.



## Federal Emergency Management Agency

*Message to the Congress Transmitting  
Reorganization Plan No. 3 of 1978.  
June 19, 1978*

*To the Congress of the United States:*

Today I am transmitting Reorganization Plan No. 3 of 1978. The Plan improves Federal emergency management and assistance. By consolidating emergency preparedness, mitigation and response activities, it cuts duplicative administrative costs and strengthens our ability to deal effectively with emergencies.

The Plan, together with changes I will make through executive action, would merge five agencies from the Departments of Defense, Commerce, HUD and GSA into one new agency.

For the first time, key emergency management and assistance functions would be unified and made directly accountable to the President and Congress. This will reduce pressures for increased costs to serve similar goals.

The present situation has severely hampered Federal support of State and local emergency organizations and resources, which bear the primary responsibility for preserving life and property in times of calamity. This reorganization has been developed in close cooperation with State and local governments.

If approved by the Congress, the Plan will establish the Federal Emergency Management Agency, whose Director shall report directly to the President. The National Fire Prevention and Control Administration (in the Department of Commerce), the Federal Insurance Administration (in the Department of Housing and Urban Development) and oversight responsibility for the Federal

emergency broadcast system (now assigned in the Executive Office of the President) would be transferred to the Agency. The Agency's Director, its Deputy Director, and its five principal program managers would be appointed by the President with the advice and consent of the Senate.

If the Plan takes effect, I will assign to the Federal Emergency Management Agency all authorities and functions vested by law in the President and presently delegated to the Defense Civil Preparedness Agency (in the Department of Defense). This will include certain engineering and communications support functions for civil defense now assigned to the U.S. Army.

I will also transfer to the new Agency all authorities and functions under the Disaster Relief Acts of 1970 and 1974 now delegated to the Federal Disaster Assistance Administration in the Department of Housing and Urban Development.

I will also transfer all Presidential authorities and functions now delegated to the Federal Preparedness Agency in the General Services Administration, including the establishment of policy for the National Stockpile. The stockpile disposal function, which is statutorily assigned to the General Services Administration, would remain there. Once these steps have been taken by Executive Order, these three agencies would be abolished.

Several additional transfers of emergency preparedness and mitigation functions would complete the consolidation. These include:

- Oversight of the Earthquake Hazards Reduction Program, under Public Law 95-124, now carried out by the Office of Science and Technology Policy in the Executive Office of the President.

- Coordination of Federal activities to promote dam safety, carried by the same Office.

- Responsibility for assistance to communities in the development of readiness plans for severe weather-related emergencies, including floods, hurricanes, and tornadoes.

- Coordination of natural and nuclear disaster warning systems.

- Coordination of preparedness and planning to reduce the consequences of major terrorist incidents. This would not alter the present responsibility of the Executive Branch for reacting to the incidents themselves.

This reorganization rests on several fundamental principles. *First, Federal authorities to anticipate, prepare for, and respond to major civil emergencies should be supervised by one official responsible to the President and given attention by other officials at the highest levels.*

The new Agency would be in this position. To increase White House oversight and involvement still further, I shall establish by Executive Order an Emergency Management Committee, to be chaired by the Federal Emergency Management Agency Director. Its membership shall be comprised of the Assistants to the President for National Security, Domestic Affairs and Policy and Intergovernmental Relations, and the Director, Office of Management and Budget. It will advise the President on ways to meet national civil emergencies. It will also oversee and provide guidance on the management of all Federal emergency authorities, advising the President on alternative approaches to improve performance and avoid excessive costs.

*Second, an effective civil defense system requires the most efficient use of all available emergency resources.* At the same time, civil defense systems, organization, and resources must be prepared

to cope with any disasters which threaten our people. The Congress has clearly recognized this principle in recent changes in the civil defense legislation.

The communications, warning, evacuation, and public education processes involved in preparedness for a possible nuclear attack should be developed, tested, and used for major natural and accidental disasters as well. Consolidation of civil defense functions in the new Agency will assure that attack readiness programs are effectively integrated into the preparedness organizations and programs of State and local government, private industry, and volunteer organizations.

While serving an important "all-hazards" readiness and response role, civil defense must continue to be fully compatible with and be ready to play an important role in our Nation's overall strategic policy. Accordingly, to maintain a link between our strategic nuclear planning and our nuclear attack preparedness planning, I will make the Secretary of Defense and the National Security Council responsible for oversight of civil defense related programs and policies of the new Agency. This will also include appropriate Department of Defense support in areas like program development, technical support, research, communications, intelligence and emergency operations.

*Third, whenever possible, emergency responsibilities should be extensions of the regular missions of Federal agencies.* The primary task of the Federal Emergency Management Agency will be to coordinate and plan for the emergency deployment of resources that have other routine uses. There is no need to develop a separate set of Federal skills and capabilities for those rare occasions when catastrophe occurs.

*Fourth, Federal hazard mitigation activities should be closely linked with emergency preparedness and response func-*

tions. This reorganization would permit more rational decisions on the relative costs and benefits of alternative approaches to disasters by making the Federal Emergency Management Agency the focal point of all Federal hazard mitigation activities and by combining these with the key Federal preparedness and response functions.

The affected hazard mitigation activities include the Federal Insurance Administration which seeks to reduce flood losses by assisting states and local governments in developing appropriate land uses and building standards and several agencies that presently seek to reduce fire and earthquake losses through research and education.

Most State and local governments have consolidated emergency planning, preparedness and response functions on an "all hazard" basis to take advantage of the similarities in preparing for and responding to the full range of potential emergencies. The Federal Government can and should follow this lead.

Each of the changes set forth in the plan is necessary to accomplish one or more of the purposes set forth in Section 901(a) of Title 5 of the United States Code. The Plan does not call for abolishing any functions now authorized by law. The provisions in the Plan for the appointment and pay of any head or officer of the new agency have been found by me to be necessary.

I do not expect these actions to result in any significant changes in program expenditures for those authorities to be transferred. However, cost savings of between \$10-\$15 million annually can be achieved by consolidating headquarters and regional facilities and staffs. The elimination (through attrition) of about 300 jobs is also anticipated.

The emergency planning and response authorities involved in this Plan are vitally

important to the security and well-being of our Nation. I urge the Congress to approve it.

JIMMY CARTER

The White House,  
June 19, 1978.

#### REORGANIZATION PLAN NUMBER 3 OF 1978

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, June 19, 1978, pursuant to the provisions of Chapter 9 of Title 5 of the United States Code.

#### PART I. FEDERAL EMERGENCY MANAGEMENT AGENCY

SECTION 101. *Establishment of the Federal Emergency Management Agency.* There is hereby established as an independent establishment in the Executive Branch, the Federal Emergency Management Agency (the "Agency").

SECTION 102. *The Director.* The Agency shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter prescribed by law for level II of the Executive Schedule.

SECTION 103. *The Deputy Director.* There shall be within the Agency a Deputy Director, who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter prescribed by law for level IV of the Executive Schedule. The Deputy Director shall perform such functions as the Director may from time to time prescribe and shall act as Director during the absence or disability of the Director or in the event of a vacancy in the Office of the Director.

SECTION 104. *Associate Directors.* There shall be within the Agency not more than four Associate Directors, who shall be appointed by the President, by and with the advice and consent of the Senate, two of whom shall be compensated at the rate

now or hereafter prescribed by law for level IV of the Executive Schedule, one of whom shall be compensated at the rate now or hereafter prescribed by law for level V of the Executive Schedule and one of whom shall be compensated at the rate now or hereafter prescribed by law for GS-18 of the General Schedule. The Associate Directors shall perform such functions as the Director may from time to time prescribe.

SECTION 105. *Regional Directors.* There shall be within the Agency ten regional directors who shall be appointed by the Director in the excepted service and shall be compensated at the rate now or hereafter prescribed by law for GS-16 of the General Schedule.

SECTION 106. *Performance of Functions.* The Director may establish bureaus, offices, divisions, and other units within the Agency. The Director may from time to time make provision for the performance of any function of the Director by any officer, employee, or unit of the Agency.

#### PART II. TRANSFER OF FUNCTIONS

SECTION 201. *Fire Prevention.* There are hereby transferred to the Director all functions vested in the Secretary of Commerce, the Administrator and Deputy Administrator of the National Fire Prevention and Control Administration, and the Superintendent of the National Academy for Fire Prevention and Control pursuant to the Federal Fire Prevention and Control Act of 1974, as amended, (15 U.S.C. 2201 through 2219); exclusive of the functions set forth at Sections 18 and 23 of the Federal Fire Prevention and Control Act (15 U.S.C. 278 (f) and 1511).

SECTION 202. *Flood and Other Matters.* There are hereby transferred to the Director all functions vested in the Secretary of Housing and Urban Development

pursuant to the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended, (42 U.S.C. 2414 and 42 U.S.C. 4001 through 4128), and Section 1 of the National Insurance Development Act of 1975, as amended, (89 Stat. 68).

SECTION 203. *Emergency Broadcast System.* There are hereby transferred to the Director all functions concerning the Emergency Broadcast System, which were transferred to the President and all such functions transferred to the Secretary of Commerce, by Reorganization Plan Number 1.

#### PART III. GENERAL PROVISIONS

SECTION 301. *Transfer and Abolishment of Agencies and Officers.* The National Fire Prevention and Control Administration and the National Academy for Fire Prevention and Control and the positions of Administrator of said Administration and Superintendent of said Academy are hereby transferred to the Agency. The position of Deputy Administrator of said Administration (established by 15 U.S.C. 2204(c)) is hereby abolished.

SECTION 302. *Incidental Transfers.* So much of the personnel, property, records, and unexpended balances of appropriations, allocations and other funds employed, used, held, available, or to be made available in connection with the functions transferred under this Plan, as the Director of the Office of Management and Budget shall determine, shall be transferred to the appropriate agency, or component at such time or times as the Director of the Office of Management and Budget shall provide, except that no such unexpended balances transferred shall be used for purposes other than those for which the appropriation was originally made. The Director of the Office of Management and Budget shall provide for ter-

minating the affairs of any agencies abolished herein and for such further measures and dispositions as such Director deems necessary to effectuate the purposes of this Reorganization Plan.

SECTION 303. *Interim Officers.* The President may authorize any persons who, immediately prior to the effective date of this Plan, held positions in the Executive Branch to which they were appointed by and with the advice and consent of the Senate, to act as Director, Deputy Director, and Associate Directors of the Agency, until those offices are for the first time filled pursuant to the provisions of this Reorganization Plan or by recess appointment, as the case may be. The President may authorize any such person to receive the compensation attached to the Office in respect of which that person so serves, in lieu of other compensation from the United States.

SECTION 304. *Effective Date.* The provisions of this Reorganization Plan shall become effective at such time or times, on or before April 1, 1979, as the President shall specify, but not sooner than the earliest time allowable under Section 906 of Title 5, United States Code.

## Clifford R. Allen

*Statement on the Death of the Representative From Tennessee. June 19, 1978*

With the death of Congressman Clifford Allen, the Congress has lost a man of great integrity who dedicated his life to public service. He served the people of Tennessee in many capacities for 30 years and proved himself an earnest spokesman for our Nation's good in his all-too-brief tenure in the House of Representatives.

Congressman Allen well deserved his reputation as a champion of the common man. His concern for the welfare of all

people is best exemplified by his successful effort to provide free textbooks for the schoolchildren of Tennessee.

He worked all his life for the things in which he believed and for the people of his State and country. I extend my own deepest sympathies to his family.

## Veto of Bill To Reduce Federal Firefighters' Work Week

*Message to the House of Representatives Returning H.R. 3161 Without Approval. June 19, 1978*

*To the House of Representatives:*

I am returning, without my approval, H.R. 3161, a bill which would substantially reduce the work week for Federal firefighters, while maintaining their pay at nearly the present level. I have three principal objections to this bill. First, this measure would reduce firefighters' work week without reducing the premium pay which was designed for a longer standby schedule. In effect, it would raise firefighters' total hourly pay by more than 15%. If only the basic hourly pay is considered, without overtime pay, the increase is almost 30%. I do not believe this is justified, particularly in light of the 5.5% pay cap I have recommended for Federal employees as part of my efforts to hold down inflation. Moreover, the length of the work week for Federal firefighters must be considered in light of the nature of their duty. Fires tend to be less frequent at Federal installations than in urban areas. Comparatively, there is a very low incidence of fire and there are very few severe fires.

Second, H.R. 3161 would impair the ability of agency heads to manage the work force and regulate the work week.

Third, H.R. 3161 would require the Department of Defense alone to hire 4,-

600 additional employees, at an annual cost of \$46.7 million, just to maintain existing fire protection. These additional personnel and payroll measures are unacceptable.

I am very proud of the superb record of Federal firefighters at our military installations. I know them to be hard-working and dedicated. The evidence is not compelling, however, that they are unfairly treated in matters of pay and length of work week. And in extending unwarranted advantages to them, H.R. 3161 offends the ideals of fairness that should guide this Administration. I am not prepared to accept its preferential approach.

JIMMY CARTER

The White House,

June 19, 1978.

NOTE: The text of the message was released on June 20.

The House of Representatives reconsidered H.R. 3161 on June 28, and the bill was referred to committee.

## National Advisory Committee for Women

*Appointment of 40 Members. June 20, 1978*

The President today announced the appointment of 40 persons as members of the National Advisory Committee for Women. He also announced that Bella Abzug and Carmen Votaw will serve as Cochairpersons of the Committee, and that Judy Carter will be Honorary Chairperson.

The 40 persons appointed as members are:

BELLA ABZUG, of New York City, former Member of Congress and founder of the National Women's Political Caucus;  
OWANAH ANDERSON, of Wichita Falls, Tex., member of the HEW Advisory Committee on Rights and Responsibilities of Women and of the Wichita Falls Commission on the Status of Women;

UNITA BLACKWELL, mayor of Mayersville, Miss., and a member of the board of Rural American Women;

ERMA BOMBECK, newspaper columnist and author;

CECILIA BURCIAGA, assistant provost of Stanford University;

MARJORIE BELL CHAMBERS, president of the American Association of University Women;

SEY CHASSLER, editor-in-chief of Redbook magazine;

MARY CRISP, cochair of the Republican National Committee;

MIRIAM I. CRUZ, administrative assistant to Chicago Mayor Michael Bilandic;

LAURA DE HERRERA, a Colorado State representative and member of the Mayor's Commission on Community Relations in Denver;

PILANI C. DESHA, of Hilo, Hawaii, president of Business and Professional Women's Clubs;

DONNA E. DE VARONA, of New York City, member of the U.S. Olympic Committee and former Olympic swimmer;

GRETTA DEWALD, director of the women's division at the Democratic National Committee;

JUDITH HEUMANN, of Berkeley, Calif., deputy director of the Center for Independent Living;

KORYNE HORBAL, of Minneapolis, U.S. Representative on the U.N. Commission on the Status of Women and member of the DNC Women's Caucus;

MILDRED M. JEFFREY, of Detroit, president of the National Women's Political Caucus;

JEFFALYN JOHNSON, former associate director, dean, and senior professor at the Federal Executive Institute;

LANE KIRKLAND, secretary-treasurer of the AFL-CIO;

ODESSA KOMER, vice president of the International Union of United Auto Workers;

FLORINE KOOLE, assistant to the vice president of the Communications Workers of America, District 7;

ELIZABETH KOONTZ, assistant State superintendent of education for North Carolina;

ESTHER LANDA, of Salt Lake City, national president of the National Council of Jewish Women;

BROWNIE LEDBETTER, of Little Rock, legislative committee chair for the Organization of Business and Professional Women;

MARY HELEN MADDEN, of Arlington, Va., executive director of the National Council of Catholic Women;

BILLIE NAVE MASTERS, supervisor of teacher education at the University of California and member of the Indian Women's Caucus;  
JOYCE MILLER, of New York City, president of the Coalition of Labor Union Women;  
NANCY NEUMAN, second vice president of the League of Women Voters;  
JEAN O'LEARY, of New York, coexecutive director of the National Gay Task Force;  
BRENDA PARKER, of Happy, Tex., high school senior;  
CLAIRE RANDALL, general secretary of the National Council of Churches of Christ in the U.S.A.;  
CAROLYN REED, secretary-treasurer of Household Technicians of America and member of the Mayor's Commission on the Status of Women in New York City;  
ANN RICHARDS, commissioner of Travis County, Tex.;  
RICHARD ROSSIE, a Memphis, Tenn., attorney and former member of the board of directors of the Women's Resource Center of Memphis;  
JILL RUCKELSHAUS, of Medina, Wash., member of the board of trustees of the University of Puget Sound;  
ELEANOR SMEAL, president of the National Organization for Women;  
TIN MYAING THEIN, of San Diego, Calif., co-chair of the Asian and Pacific Minority Women's Caucus;  
MARLO THOMAS, of Beverly Hills, actress and producer;  
CARMEN DELGADO VOTAW, of Bethesda, Md., president of the National Conference of Puerto Rican Women;  
MAXINE WATERS, of Los Angeles, member of the California Legislature and of the California Commission on the Status of Women;  
ADDIE WYATT, of Chicago, international vice-president and director of women's affairs for the Amalgamated Meat Cutters Union.

## United States Space Activities

*Announcement of Administration Review.*  
*June 20, 1978*

The President directed under a Presidential review memorandum that the NSC Policy Review Committee (PRC) thoroughly review existing policy and formulate overall principles which should

guide our space activities. The major concerns that prompted this review arose from growing interaction among our various space activities.

This review examined and the resultant Presidential directive establishes:

- A Government policy oversight system to review and revise space policy as needed;
- Ground rules for the balance and interaction among our space programs to ensure achievement of the inter-related national security, economic, political, and arms limitation goals of the United States; and
- Modifications to existing policies, the appropriate extent of the overlapping technology, and product dissemination by the sectors.

This Presidential directive establishes an NSC Policy Review Committee to provide a forum to all Federal agencies for their policy views, to advise on proposed changes to national space policy, to resolve issues referred to the Committee, and to provide for rapid referral of issues to the President for decision as necessary. This Committee will be chaired by the Director of the Office of Science and Technology Policy, Frank Press. Recognizing that the civilian space program is at the threshold of change, the President has asked the PRC to assess the needs and aspirations of the Nation's civil space program. The United States has built a broad national base in space and aeronautics. At issue is how best to capitalize on prior investments and set the needed direction and purpose for continued vitality in the future.

Under the Presidential review memorandum the emphasis was to resolve potential conflicts among the various space program sectors and to recommend coherent space principles and national space policy. In focusing upon these issues, the Policy Review Committee concluded that

our current direction set forth in the Space Act of 1958 is well founded and that the preponderance of existing problems was related to interactions and resultant stresses among the various space programs. For this reason, the classified portion of the recently signed Presidential directive concentrates on overlap questions. It does not deal in detail with the long-term objectives of our defense, commercial, and civil programs. Determining our civil space policy, outlined above, will be the next step.

As a result of this in-depth review, the President's directive establishes national policies to guide the conduct of United States activities in and related to space programs. The objectives are (1) to advance the interests of the United States through the exploration and use of space and (2) to cooperate with other nations in maintaining the freedom of space for all activities which enhance the security and welfare of mankind. The space principles set forth in this directive are:

—The United States will pursue space activities to increase scientific knowledge, develop useful commercial and Government applications of space technology, and maintain United States leadership in space technology.

—The United States is committed to the principles of the exploration and use of outer space by all nations for peaceful purposes and for the benefit of all mankind.

—The United States is committed to the exploration and use of outer space in support of its national well-being.

—The United States rejects any claims to sovereignty over outer space or over celestial bodies, or any portion thereof, and rejects any limitations on the fundamental right to acquire data from space.

—The United States holds that the space systems of any nation are national

property and have the right of passage through and operations in space without interference. Purposeful interference with space systems shall be viewed as an infringement upon sovereign rights.

—The United States will pursue activities in space in support of its right of self-defense and thereby strengthen national security, the deterrence of attack, and arms control agreements.

—The United States will conduct international cooperative space activities that are beneficial to the United States scientifically, politically, economically, and/or militarily.

—The United States will develop and operate on a global basis active and passive remote sensing operations in support of national objectives.

—The United States will maintain current responsibility and management relationships among the various space programs, and, as such, close coordination and information exchange will be maintained among the space sectors to avoid unnecessary duplication and to allow maximum cross-utilization of all capabilities.

Our civil space programs will be conducted to increase the body of scientific knowledge about the Earth and the universe; to develop and operate civil applications of space technology; to maintain United States leadership in space science, applications, and technology; and to further United States domestic and foreign policy objectives within the following guidelines:

—The United States will encourage domestic commercial exploitation of space capabilities and systems for economic benefit and to promote the technological position of the United States; however, all United States Earth-oriented remote sensing satellites will require United



States Government authorization and supervision or regulation.

—Advances in Earth imaging from space will be permitted under controls and when such needs are justified and assessed in relation to civil benefits, national security, and foreign policy. Controls, as appropriate, on other forms of remote Earth sensing will be established.

—Data and results from the civil space programs will be provided the widest practical dissemination to improve the condition of human beings on Earth and to provide improved space services for the United States and other nations of the world.

—The United States will develop, manage, and operate a fully operational Space Transportation System (STS) through NASA, in cooperation with the Department of Defense. The STS will service all authorized space users—domestic and foreign, commercial and governmental—and will provide launch priority and necessary security to national security missions while recognizing the essentially open character of the civil space program.

Our national security related space programs will conduct those activities in space which are necessary to our support of such functions as command and control, communications, navigation, environmental monitoring, warning and surveillance, and space defense, as well as to support the formulation and execution of national policies; and to support the planning for and conduct of military operations. These programs will be conducted within the following guidelines:

—Security, including dissemination of data, shall be conducted in accordance with Executive orders and applicable directives for protection of national security information. Space-related products and technology shall be afforded lower or no classification where possible to permit

wider use of our total national space capability.

—The Secretary of Defense will establish a program for identifying and integrating, as appropriate, civil and commercial resources into military operations during national emergencies declared by the President.

—Survivability of space systems will be pursued commensurate with the planned need in crisis and war and the availability of other assets to perform the mission. Identified deficiencies will be eliminated, and an aggressive, long-term program will be applied to provide more assured survivability through evolutionary changes to space systems.

—The United States finds itself under increasing pressure to field an antisatellite capability of its own in response to Soviet activities in this area. By exercising mutual restraint, the United States and the Soviet Union have an opportunity at this early juncture to stop an unhealthy arms competition in space before the competition develops a momentum of its own. The two countries have commenced bilateral discussions on limiting certain activities directed against space objects, which we anticipate will be consistent with the overall U.S. goal of maintaining any nation's right of passage through and operations in space without interference.

—While the United States seeks verifiable, comprehensive limits on antisatellite capabilities and use, in the absence of such an agreement, the United States will vigorously pursue development of its own capabilities. The U.S. space defense program shall include an integrated attack warning, notification, verification, and contingency reaction capability which can effectively detect and react to threats to U.S. space systems.

## Veterans Preference in Civil Service Reform

*Letter to Chairman Robert N.C. Nix of the House Post Office and Civil Service Committee. June 20, 1978*

*To Chairman Robert Nix*

I understand that the House Post Office and Civil Service Committee will begin markup on Civil Service reform this week. As you know, the Civil Service reforms I have proposed to Congress include a number of critically important measures to reform the Civil Service system. Chairman Alan Campbell of the Civil Service Commission has sent you a separate letter outlining our positions on how the Committee has dealt with a number of these issues in its new Committee print. I look forward to the Committee's review of these comments.

I am pleased with the progress that has been made so far and I am confident that the Committee will move responsibly and expeditiously through the markup process.

I want to take this opportunity to reaffirm my commitment to changing the Veterans Preference System in Federal employment, and I urge the Committee to join me in this effort. We owe veterans our deep gratitude for serving their country, and they more than deserve special treatment from our government. However, veterans preference as it presently operates severely interferes with employment opportunities for women and other minorities, discriminates against younger veterans who are outnumbered by veterans who served before, and greatly hampers managerial flexibility.

Under my proposals, veterans preference would be focused where it is most needed: on Vietnam-era veterans and those who are disabled. Veterans preference would not be abolished. Rather, it

would be brought into line with its original purpose, to help veterans readjust to civilian life. Let me point out that Congress itself ended veterans preference entirely for non-disabled veterans who entered the service on or after October 16, 1976.

On the Senate side, a compromise had been worked out with some Members of the Senate Governmental Affairs Committee which I supported, but which did not carry, but only by a narrow margin. Under this compromise, which I continue to support:

—Veterans preference would be available for one time use for a full 15 years following discharge from the armed forces.

—All veterans would be eligible for an absolute preference where Reductions in Force occur for their first 8 years of Federal employment.

—Veterans preference would be eliminated for retired military officers of field grade rank or above and limited for other military personnel who have retired after at least 20 years in service to 3 years following retirement.

As you know, my veterans preference proposals would not adversely affect disabled veterans. In fact, I also proposed steps to go beyond existing programs for disabled and Vietnam-era veterans. I have agreed that disabled veterans for the first time be permitted non-competitive appointment to Federal service if they either have a 30% or more service connected disability or are involved with a Veterans Administration prescribed job training course.

I have also proposed an extension as well as a significant expansion of the Veterans Readjustment Appointment Authority to aid employment of Vietnam-era and disabled veterans that has now been

handled separately by the Veterans Affairs Committees of the House and Senate.

I very much hope that your Committee will be able to act favorably on these proposals in veterans Federal employment policy. Such changes will serve the public interest and are long overdue. They are a vital part of the effort to make government more efficient and responsive to the American people.

I am sending a copy of this letter to all members of the Committee.

Sincerely,

JIMMY CARTER

[The Honorable Robert Nix, Chairman, House Post Office and Civil Service Committee, U.S. House of Representatives, Washington, D.C. 20515]

NOTE: The text of the letter was released on June 21.

## Fourth of July

*Statement by the President. June 21, 1978*

The Fourth of July is a time of celebration for all Americans, as we commemorate the bold actions of those who brought our Nation into being 202 years ago today.

We celebrate on this day the benefits of freedom which Americans have struggled to establish and died to preserve. But since we are aware that not all people share our good fortune to live in a country founded on liberty, the Fourth of July is also an occasion to rededicate ourselves to the pursuit everywhere of the human rights for which our Nation has always stood.

In 1978, we face these responsibilities, proud of our heritage and confident that our belief in freedom will carry us forward in the years ahead.

## National Commission for the Review of Antitrust Laws and Procedures

*Appointment of the Membership.  
June 21, 1978*

The President today announced the appointment of the 22 members of the National Commission for the Review of Antitrust Laws and Procedures. The Commission, which will hold its first meeting today, was established by Executive order on December 1, 1977. The members are:

JOHN H. SHENEFIELD, Assistant Attorney General for the Antitrust Division;  
MICHAEL PERTSCHUK, Chairman of the Federal Trade Commission;  
ALFRED E. KAHN, Chairman of the Civil Aeronautics Board;  
SENATOR EDWARD M. KENNEDY;  
SENATOR JACOB K. JAVITS;  
SENATOR HOWARD M. METZENBAUM;  
SENATOR ROBERT MORGAN;  
SENATOR ORRIN G. HATCH;  
REPRESENTATIVE PETER W. RODINO;  
REPRESENTATIVE BARBARA C. JORDAN;  
REPRESENTATIVE ROBERT McCLORY;  
REPRESENTATIVE JOHN F. SEIBERLING;  
REPRESENTATIVE CHARLES E. WIGGINS;  
C. CLYDE ATKINS, U.S. District Judge for the Southern District of Florida;  
CHAUNCEY H. BROWNING, JR., attorney general of West Virginia;  
MAXWELL M. BLECHER, a Los Angeles attorney;  
ELEANOR M. FOX, a professor at New York University Law School;  
JOHN IZARD, an Atlanta attorney;  
JAMES M. NICHOLSON, a Washington, D.C., attorney;  
CRAIG SPANGENBERG, a Cleveland, Ohio, attorney;  
GORDON B. SPIVACK, a New York City attorney and lecturer at Yale Law School;  
LAWRENCE A. SULLIVAN, a professor at the University of California at Berkeley Law School.

## National Commission for the Review of Antitrust Laws and Procedures

*Remarks on Greeting Members of the Commission. June 21, 1978*

One of the most challenging and gratifying experiences that I have had is to see the recruitment and the performance of both private citizens and Members of the Congress, members of our own administration, independent regulatory agencies, in dealing with some of the longstanding and historical problems of our Government.

This morning we're here to announce and to commence the work of the members of the National Commission on the Revision of the Antitrust Laws and Procedures.

Before I give just a very few remarks, I would like to read a list of these members who are assembled here behind me to give you some feeling of the quality of the group. They will begin their deliberations immediately, and they will make their report to me January of next year.

The Chairman of the group will be John Shenefield, who's the Assistant Attorney General of the Antitrust Division in the Department of Justice.

Mike Pertschuk, who's the Chairman of the Federal Trade Commission; Alfred E. Kahn, who's the Chairman of the Civil Aeronautics Board; Senator Edward Kennedy, who is the chairman of the Senate Subcommittee on Antitrust and Monopoly; Senator Jacob Javits; Senator Howard Metzenbaum; Senator Robert Morgan; Senator Orrin Hatch; Congressman Peter Rodino, who's the chairman of the House Committee on the Judiciary; Congresswoman Barbara Jordan; Congressman Robert McClory; Congressman John Seiberling; Congressman Charles Wiggins of California;

Clyde Atkins, who's the U.S. District Judge from the Southern District of Florida; Chauncey Browning, who's the attorney general of West Virginia, and who's the president-elect of the National Association of Attorneys General; Maxwell Blecher, a trial practitioner and antitrust author from Los Angeles; Eleanor Fox, antitrust professor at New York University School of Law; John Izard, the former chairman of the Antitrust Law Section of the American Bar Association; James Nicholson, former Trade Commission member; Craig Spangenberg, fellow in the American College of Trial Lawyers; Gordon Spivack, who's the former Director of Operations for the Antitrust Division in the Department of Justice; Lawrence Sullivan, who's a professor at the University of California Law School, and he's an author of antitrust publications. And the Executive Director will be Tim Smith, Special Assistant to Mr. Shenefield.

I think everyone can see the extremely high quality of this group. And they've all proven by their past interest and, also, performance, a high degree of interest and expertise in this subject.

There's a great need for reform. I have seen a list of the previous study groups that have addressed this same question. Quite often, their reports have been interesting. Not much action has been taken because of a degree of study but without a melding of the executive leaders, Justice Department, regulatory agencies, the Congress, and private citizens.

I consider this study to go to the very heart of our free enterprise economic system. There is an inherent conflict in trying to protect the American public, the consumers, from abuse, in trying to have a stable economic system, and trying to enhance competition. Sometimes those three elements are in conflict, and it does require a great deal of study and judg-

ment to bring about a resolution in the best interests of the public and our system itself.

There are two very important problems that they will address, among others. First, is how to resolve complex legal cases quickly. I mentioned this at some length in my speech to the Bar Association of Los Angeles County a month or so ago. We have cases that drag out almost indefinitely. They sap away the legal talent of our country that could be more productively used in other efforts. They delay a resolution of judgment and decision which works to the advantage of one party or the other, and quite often against the best interests of the public. So, how to deal with this question is one that I believe, if resolved, would have a greatly beneficial effect on the parties to the disputes and on the public itself.

The other one is to examine and recommend elimination of unwarranted exemptions from antitrust legislation and regulation. I believe that this study, the publication of their results, the acquaintance of the public and me and others with the needs for reform, will bring about a successful effort.

Some of the people behind me have already made great progress. I think the rulings that have come out of the Civil Aeronautics Board in this past 12 months have been an exciting thing, an innovative achievement which was feared greatly, originally, by the airline companies, but it's resulted in a great deal of reduction in unnecessarily high fares. The passengers have benefited substantially, and I think there's a growing feeling, almost unanimously, even among the airline industry executives, that this enhanced, competitive attitude within the airline industry has been beneficial.

I hope that soon we can move into other similar regulated industries. And I believe that the trend is to minimize, not

to increase, unwarranted government intrusion into the regulatory process.

I hope that we'll have simplification of laws and regulations and a reduction in the total degree of regulation which, in the past, has almost inexorably trended toward a protection of the interest of the industries regulated, against the best interests of the American public. But we've had some innovative thoughts and actions in recent months which can serve as an inspiration and an example for this group behind me.

Well, in closing, let me say that I'm very grateful to these people for their willingness to serve. They bring a high degree of professional competence and experience to a very challenging and difficult and sensitive subject. And as President of our country, I wish them much success. And I believe that their study and their report will not only be substantial and profound, but that they will benefit from knowing that I, the Attorney General, and others will work with great enthusiasm and fervency to implement the recommendations that they make.

Thank you again for being willing to serve. I'm very proud of what I hope you will do, and I expect great things from you.

NOTE: The President spoke at 10:50 a.m. in the Rose Garden at the White House.

## Organization of American States

*Remarks at the Opening Session of the Eighth General Assembly. June 21, 1978*

*Mr. Chairman, Mr. Secretary General, distinguished Foreign Ministers—I believe with 100-percent attendance—Ambassadors, delegates and observers to this General Assembly, and friends:*

In the brief time that I have been President of our country, I have enjoyed

a very close relationship with the Organization of American States. Historic events have occurred here in this building, and some have even suggested that I move my office over here because I visit so often. But the importance of your deliberations and the past actions that have occurred here are recognized throughout our own country.

I want to welcome you here to open the Eighth General Assembly of the Organization of American States.

Five days ago, I went to Panama. I went there to celebrate new treaties which permit the United States of America and the Republic of Panama to operate and to defend the canal on the basis of partnership and not paternalism. I went there to fulfill a pledge that I made before you in this Hall of the Americas a little more than a year ago. I went there to explain what the treaties mean to me and to other North Americans. More than simply a fulfillment of a pledge, they are the beginning of a new era of inter-American understanding, reflecting a new spirit of commitment and cooperation.

In the process of reaching agreement, our two nations—and the many others of you who supported us—breathed new life into some old principles: principles of nonintervention, mutual respect, partnership, and multilateral cooperation. What we have accomplished together will make it easier to apply these same principles to the overriding concern of our hemisphere: peace, human rights and dignity, and economic development.

Last year on Pan American Day, I outlined the approach which my own administration would take towards Latin America and the Caribbean. Slogans would no longer suffice to describe the diversity of the Americas, nor would a single formula be helpful when our individual and our common interests are so clearly global in scope. The problems of

the world require that we in the Western Hemisphere think and act more broadly.

That is what I pledged to you last year on Pan American Day. That's what I committed our Nation to do. Our goals still remain the same: to promote world peace, to discourage international intervention and aggression, to foster an international environment in which human rights and dignity are respected by all, and to end repression and terrorism, and, finally, to move toward a more just and equitable international economic system.

These are the most basic goals of the community of nations throughout the world—and therefore of our hemisphere as well. No one nation can do this job alone—not the United States, nor any other. Only by cooperation among the nations of this hemisphere and throughout the world will we have a chance to see these goals fulfilled.

We can advance toward peace with many small steps, as we remove the causes of dispute which have plagued our hemisphere in the past.

The resolution of the Panama Canal issue should be a good omen that other disputes in our hemisphere can also be settled peacefully. Let us approach other problems, such as Bolivian access to the sea, the Honduras-El Salvador border dispute, the future of Belize, in the same spirit of accommodation and friendship.

Just as the nations of this hemisphere offered support to Panama and the United States during the canal negotiations, I pledge today my Government's willingness to join in the effort to find peaceful and just solutions to other problems.

In 1 year's time, it will be a century since the War of the Pacific. We should view this anniversary, this occasion, as an opportunity to reaffirm our commitment to harmony in this hemisphere and to avoid conflict.

The difficult decisions in their region can only be made by Bolivia, Peru, Chile. But we stand ready with the Organization of American States, the United Nations, and other countries to help find a solution to Bolivia's land-locked status that will be acceptable to all parties and will contribute to the permanent peace and development of the area.

In this same spirit, we should work together to bring into effect the farsighted Treaty of Tlatelolco, which bans nuclear weapons from Latin America. It was in this hall last year that I pledged to do my utmost to bring this treaty into effect and to sign Protocol I of that treaty. And on May 26 last year I signed it. Since then, due to the encouragement of the countries that pioneered the treaty, the Soviet Union has ratified Protocol II, and Argentina has now agreed to ratify the treaty.

All but one of the countries in the hemisphere eligible to sign have now signed the Treaty of Tlatelolco. This precedent-setting treaty represents a dramatic advance for the cause of nuclear nonproliferation, and we should not rest until it is complete. I also support the efforts of those who want to extend the spirit of Tlatelolco to other areas of the world and to conventional arms sales, as well.

I believe that restraint in conventional arms sales is also central to the cause of peace. The United States has adopted a policy, unilaterally, which seeks to reduce the overall sale of weapons each year, especially the most sophisticated, lethal, and expensive weapons. We will not introduce an advanced weapons system into a region. And we are encouraging the Soviet Union, the French, and others to join with us in a multinational control of the sale of conventional weapons throughout the world.

As a major arms salesman, the United States bears and accepts a heavy responsibility for limiting this trade, but we cannot succeed alone. Our efforts will depend upon the active participation of other arms sellers and, obviously, on the participation of those who buy weapons.

I might point out that we have a better record in this hemisphere than is generally recognized. Four other nations of the world sell more weapons in Latin America than does the United States. And we need your help and the help of other countries to continue this progress toward another example of hemispheric peace and the control of weapons of destruction that might be observed and emulated by other regions of the world.

Discussions among supplier nations and providing nations have already begun. As we make our efforts, we draw inspiration from the truly historic initiative that Venezuela and the other signatories of Ayacucho are making to remove the causes of insecurity from their region and thereby to reduce the pressures that make nations buy weapons, because they fear their neighbors.

As the Ayacucho nations prepare for another meeting this week, I reaffirm my own country's conviction that their work is bringing us closer to lasting peace, and I express my hope that their efforts can be expanded to other weapons, both purchasers and suppliers.

We can also reduce the pressure for armaments and for regional violence by ensuring that all nations respect the territorial integrity of others. The intrusion of foreign military forces into local disputes can only undermine this cause. We support improvements in the peacekeeping and dispute-settling machinery of the Organization of American States and the United Nations.

I'd like to say just a word about human rights. The rights and dignity of

human beings concerns us all and must be defended and enhanced. I'm convinced that the peoples of the Americas want a world in which citizens of every country are free from torture, from arbitrary arrest and prolonged detention without trial, free to speak and to think as they please, free to participate in the determination of their own destiny.

My Government will not be deterred from our open and enthusiastic policy of promoting human rights, including economic and social rights, in whatever ways we can. We prefer to take actions that are positive, but where nations persist in serious violations of human rights, we will continue to demonstrate that there are costs to the flagrant disregard of international standards.

Above and beyond any actions we take ourselves, we believe multilateral action can be the most effective means of encouraging the protection of human rights. Last year's Organization of American States General Assembly demonstrated our common interest in this important commitment. It set the stage for this year's events.

During the past year, the Inter-American Commission on Human Rights, one of our region's most important instruments, has grown stronger. Its budget was tripled, and it was invited by more Governments to investigate and report on conditions. We consider this not an intrusion into the internal affairs of countries, but a mechanism by which those countries that stand condemned, perhaps erroneously, by the rest of the world, might clear their good name and prove to us and to the rest of the world that human rights indeed are not being violated.

This is a very good encouragement for us in the United States to set a good example, and I hope we'll retain our commitment to this principle so vividly that every day, every head of state in the whole

world has before his or her consciousness a concern about "How are we doing to enhance human rights in our own country?"

We have had, I believe, good progress so far, and I commend the reports that have been submitted to this General Assembly and urge that their recommendations be fulfilled.

In the past year, six countries have joined Costa Rica and Colombia in ratifying the American Convention on Human Rights. Three more countries must ratify it for it to come into force. I signed the convention on June 1, a long overdue action on the part of the United States. I signed this while my wife was in San José, and I pledged my own efforts to bring about the United States ratification as soon as possible.

I hope that every nation represented around this table will make every effort expeditiously to sign and to ratify this American Convention on Human Rights without delay.

We should use this General Assembly to plan for the moment when the convention enters into force. We share the view that the present Commission will continue to carry out its mandate until a new Commission is functioning.

The governments whose leaders visited Panama for the ceremonies this past weekend have been at the forefront of the movement for human rights and democracy. A few weeks ago, several of our countries spoke out in support of the democratic election process in a neighboring country.

Now, we realize that the path from authoritarian rule to democratic rule can be difficult and demanding. During such a transition, and in the midst of the electoral process, my Government pledges not to intervene nor to show favoritism toward particular individuals or particular parties. But we will continually sup-



port and encourage political systems that allow their people to participate freely and democratically in the decisions that affect their lives.

This past year has seen a measure of progress. In many countries, political prisoners have been released, states of seige have been lifted, or constraints on freedom of the press have been loosened. In the coming year, we hope for more progress. For many in Latin America, the struggle has just begun. But the direction of history toward the expansion of human rights is clear. Where basic human rights are concerned, all of our governments must be accountable not only to our own citizens but to the conscience of the world.

The economic system: We must also devote our common energies to economic development and the cause of social justice. Benefits of the world's economy must be more fairly shared, but the responsibilities must be shared as well.

In many ways, economic issues will be our most important foreign policy concerns in the coming year. We plan to give increased emphasis, much more than we have in the past, to those economic issues which most directly affect the developing countries, particularly trade and aid.

We have not moved far enough or fast enough in the United States Government in the past. Many of you have not been aggressive enough in alleviating economic disparities and abuses in the system which we help to control. We've not spoken often enough nor candidly enough with each other. We must take every opportunity to work with all nations on these fundamental issues, and we must find new ways to discuss them, not through public confrontation, through the news media, but through quiet, substantive, determined negotiation to bring about steady progress designed to reach common goals.

Trade policy will become more and more important as your economies con-

tinue their transformation, which is inevitable, with manufactured goods making up a larger and larger proportion of your production and exports.

I have fought hard to resist protectionism, a subject which the President mentioned a few minutes ago, and I will continue to do so. Within the Organization of Economic Cooperation and Development, the OECD, we've urged the healthier economies to grow faster so as to expand markets for your exports. In the multilateral trade negotiations, we seek to reduce barriers to those exports. In return, we ask you to join with us in negotiating a reduction of tariff and non-tariff barriers.

Many of your countries whose voices could be heard and could be of great influence do not play an active role in negotiating the reduction of those very tariffs which work against the best interests of the people whom you represent. We ask you to join with us in negotiating a reduction in tariffs and nontariff barriers.

The middle-income developing countries, some of you, have a special responsibility, along with us, a very powerful, economically developed country, to help widen world trade by opening your markets to exports from other developing and industrial countries.

Some of your economies are now large and dynamic enough to provide for both domestic consumption and exports at the same time. By giving priority to creating jobs, you can alleviate poverty while stimulating your own economies.

The industrial countries should help to stimulate this growth. As one step to this end, we propose to create a foundation for technological collaboration, which will help to develop and share the skills which are needed for economic and social growth. The challenge of economic development is to help the world's poor lift themselves out of misery. We

need to assist governments which find themselves in financial crisis, if and when they are willing to make sound measures of self-help.

We need to support regional and sub-regional cooperation and integration through such organizations as the Caribbean Group for Cooperation in Economic Development, which is meeting this week in Washington—I think 30 countries.

The recent decision by several Andean countries to establish a balance-of-payments support fund is a welcome contribution to regional financial stability. The little-noticed increase in intraregional trade credits and cooperation among central banks testifies to the maturity and the integration of Latin America.

Finally, let me say this: We set for ourselves an ambitious program last year. Much has been accomplished, but much more remains to be done.

The Organization of American States can play an important role in addressing and solving our common problems. It's become particularly effective in the areas of human rights and the keeping of the peace. It can and must become still more effective as its internal administrative and financial structure comes to reflect the greater equality in our relationships.

I believe that the mutual respect which characterized the negotiations, debate, and conclusion of the Panama Canal treaties can become the basis for new relations in this hemisphere and the world. With trust and cooperation, even the most difficult and serious disputes can be settled.

The other nations in this hemisphere, all of you, are increasingly important to my country and to the world. I do not expect that our views will always coincide, but I know that we do share the same basic values. Working together in a spirit of mutual respect and trust, we can

achieve our common goals: a more just economic system, enhanced human rights and dignity, and permanent peace for us all.

Thank you very much.

NOTE: The President spoke at 11:24 a.m. in the Hall of the Americas at the Pan American Union Building.

The provisional Chairman and President of the session was Indalecio Liévano Aguirre, Foreign Minister of Colombia. Alejandro Orfila is Secretary General of the Organization of American States.

## Legislative Vetoes

*Message to the Congress. June 21, 1978*

*To the Congress of the United States:*

In recent years, the Congress has strengthened its oversight of Executive Branch decisions. I welcome that effort. Unfortunately, there has been increasing use of one oversight device that can do more harm than good—the “legislative veto.”

In the past four years at least 48 of these provisions have been enacted—more than in the preceding twenty years. This proliferation threatens to upset the constitutional balance of responsibilities between the branches of government of the United States. It represents a fundamental departure from the way the government has been administered throughout American history. Unnecessary and unwarranted legislative veto procedures obstruct the efforts of my Administration and most members of Congress to make the administrative process quicker and simpler and divert attention from our common task of improving Federal programs and regulations.

Since taking office, I have several times expressed my deep reservations about

legislative veto provisions in bills presented to me for signature. Herbert Hoover and every subsequent President have taken this position. The purpose of this message is to underscore and explain the concern and to propose alternatives.

The legislative veto was first used in the 1932 statute which authorized the President to reorganize the Executive Branch. The provision was repeated in subsequent reorganization acts, including the statute in effect today. This kind of legislative veto does not involve Congressional intrusion into the administration of on-going substantive programs, and it preserves the President's authority because he decides which proposals to submit to Congress. The Reorganization Act jeopardizes neither the President's responsibilities nor the prerogatives of Congress.

As employed in some recent legislation, however, the legislative veto injects the Congress into the details of administering substantive programs and laws. These new provisions require the President or an administrator of a government agency to submit to Congress each decision or regulation adopted under a program. Instead of the decision going into effect, action is blocked for a set time—typically 60 congressional working days—while Congress studies it. A majority of both Houses, or either House, or even a single committee, is authorized to veto the action during that period.

Such intrusive devices infringe on the Executive's constitutional duty to faithfully execute the laws. They also authorize Congressional action that has the effect of legislation while denying the President the opportunity to exercise his veto. Legislative vetoes thereby circumvent the President's role in the legislative process established by Article I, Section 7 of the Constitution.

These are fundamental constitutional issues. The Attorney General is seeking a definitive judgment on them from the courts, but no immediate resolution is in prospect. Pending a decision by the Supreme Court, it is my view, and that of the Attorney General, that these legislative veto provisions are unconstitutional.

Moreover, the legislative veto raises serious, practical policy problems.

Federal agencies issue thousands of complex regulations each year. Many are adopted after months or years of hearings and are based on many volumes of evidence. To act responsibly under a typical legislative veto provision, Congress would have to examine all of this evidence, hold its own hearings, and decide whether to overrule the agency—all in a few weeks. This task would add an additional burden to Congress' legislative agenda.

The regulatory process is rightly criticized for being slow and for creating uncertainty which cripples planning by business, state and local governments, and many others. The legislative veto greatly compounds both problems. At best, it prolongs the period of uncertainty for each regulation by several months. At worst, it can mean years of delay. Under the legislative veto procedure, Congress can only block an agency's rules, not rewrite them. If the House and Senate agree that a regulation is needed but disagree with the agency or each other on the specifics, exercise of the veto can lead to indefinite deadlock.

This danger is illustrated by the regulations concerning President Nixon's papers. Three versions of these regulations were vetoed, and it took three years to reach agreement on them. Whatever the merits of the issues, this is clearly an unsatisfactory way to decide them. Such lengthy, expensive procedures could easily become

commonplace under legislative veto statutes.

In addition to causing delay, legislative veto provisions can seriously harm the regulatory process. Regulators operating under such laws would seek to avoid vetoes. They would therefore tend to give more weight to the perceived political power of affected groups and less to their substantive arguments. Meetings of regulatory commissions could degenerate into speculation about how to write rules so they would escape future disapproval of future Congressional reviewers who are not present nor represented when the rules are being drafted. Many regulations would be evolved in negotiations between agency officials and Congressional staff members, subverting requirements in present law for public notice and comment and for decisions based on the record. Parties to regulatory proceedings, never knowing when a decision might be vetoed, would have to reargue each issue in Congress.

These problems would lead many regulators to reverse the constructive trend toward adopting uniform rules. They would revert to acting on a case-by-case basis, because the legislative veto cannot be applied to such decisions. This lack of uniformity would not reduce the scope of regulation, but it would reduce clarity and certainty. Those affected would have to determine how dozens of decisions on individual fact situations might apply to their own cases, instead of abiding by a single rule.

The most troubling problem, however, is that the legislative veto treats symptoms, not causes. The vast effort required to second-guess individual regulatory decisions could impede the crucial task of revising the underlying statutes.

Agencies issue regulations because Congress passes laws authorizing them,

or—frequently—mandating them. Many of these laws have not been seriously re-examined for years and need change. This year, Congress is working on key bills to reform airline regulation, encourage public participation in the regulatory process, require lobbyists to work more openly, and adopt “sunset” procedures. Next year’s agenda may be even fuller. We need legislation to speed up and simplify regulatory procedures, and we must reform a number of individual regulatory programs. We must deregulate where appropriate, make regulation easier to understand and to honor, and control the costs which regulations impose on our economy.

The President and the agency heads are responsible for improving the management of regulation, and we are doing so by administrative action encouraged by my Executive Order on improving the regulatory process. Only Congress through regulatory reform can deal with the underlying problems caused by a multitude of individual legislative mandates.

Regulation provides just one example of the problems caused by legislative vetoes; similarly severe problems arise in other areas of government. Thus, excessive use of legislative vetoes and other devices to restrict foreign policy actions can impede our ability to respond to rapidly changing world conditions. Reasonable flexibility is essential to effective government.

In sum, for both constitutional and policy reasons I strongly oppose legislative vetoes over the execution of programs. The inclusion of such a provision in a bill will be an important factor in my decision to sign or to veto it.

I urge Congress to avoid including legislative veto provisions in legislation so that confrontations can be avoided. For

areas where Congress feels special oversight of regulations or other actions is needed, I urge the adoption of "report-and-wait" provisions instead of legislative vetoes. Under such a provision, the Executive "reports" a proposed action to Congress and "waits" for a specified period before putting it into effect. This waiting period permits a dialogue with Congress to work out disagreements and gives Congress the opportunity to pass legislation, subject to my veto, to block or change the Executive action. Legislation establishing "report-and-wait" procedures has been introduced. Even these procedures consume resources and cause delays, however, so they should be used sparingly.

As for legislative vetoes over the execution of programs already prescribed in legislation and in bills I must sign for other reasons, the Executive Branch will generally treat them as "report-and-wait" provisions. In such a case, if Congress subsequently adopts a resolution to veto an Executive action, we will give it serious consideration, but we will not, under our reading of the Constitution, consider it legally binding.

The desire for the legislative veto stems in part from Congress' mistrust of the Executive, due to the abuses of years past. Congress responded to those abuses by enacting constructive safeguards in such areas as war powers and the budget process. The legislative veto, however, is an overreaction which increases conflict between the branches of government. We need, instead, to focus on the future. By working together, we can restore trust and make the government more responsive and effective.

JIMMY CARTER

The White House,  
June 21, 1978.

## Lawyers' Committee for Civil Rights Under Law

*Remarks at a White House Reception.  
June 21, 1978*

First of all, let me say that I'm very proud to welcome you to the White House and to have you here with me. It's always gratifying and very rare for a President to be associated with success, and you all have proven a remarkable degree of success in one of the finest and most idealistic and successful endeavors, I think, that our country has seen.

I know that 15 years ago, here in this White House, many people, Bernie Segal, the late Harrison Tweed, Lloyd Cutler, and others, came together to form the Lawyers' Committee for Civil Rights Under the Law. At that time our Nation faced an almost hopeless prospect of transforming the ideals and the dreams of many people who were suffering from deprivation and discrimination into the realization of those hopes. And you had confidence that this challenge could be met successfully.

You've been a great help, not only to my predecessors here in the White House, and to me, but more importantly, you've helped those who were least able to help themselves. And as a southerner, one who's seen the remarkable transformation, not only among those who were previously deprived but among those who were reluctant to see the changes made, I can express to you from the bottom of my heart the appreciation of a grateful nation.

We've had an opportunity to expand a few dedicated, competent professionals who work full time at the enhancement of basic civil rights into literally thousands of volunteers from some of the most

prominent law firms in our country and, of course, some small independent lawyers as well.

This has obviously been helpful to the furthering of civil rights for those who need legal assistance. But it's also provided an avenue backward—or perhaps it would be better to say in the other direction—because it has made the establishment figures, the wealthy, the secure, the blessed, the influential citizens of many communities around our country become personally acquainted with the deprivations that they would otherwise never have understood. And I believe that there has been an arousing of the consciousness of our Nation about a challenge that was potentially crippling to our societal structure and which has proven, under your leadership and with your dedication, to be so successful.

We brought several of your active members into my administration. I won't try to name them all. Drew Days is obviously one, Eleanor Holmes Norton, Cyrus Vance, Joe Califano, and others. I hate to go down the list. But I think that this is a credit to our Government, that there could be a climate here wherein they felt they could continue their good work from a varied series of perspectives, from the Secretary of State to the Equal Employment Opportunity Commission, and in agencies in between, whose motivation and purpose is benevolent in character.

I know that you've also extended your influence in a beneficial way overseas, providing help for those who suffer from racial discrimination, for instance, in South Africa.

I've had a chance to triple the amount of money that we spend for the enhancement of civil rights. We are trying to reorganize the structure so that there would be a clearer assignment of responsibility and also a clearer identification of

the reasons for delay or failure. And Eleanor Holmes Norton is one who has the background and experience and the dedication, the tenacity, the reputation and esteem to make this transformation be felt in the way in which it has been intended.

We'll continue with these efforts, and I come here, to summarize, to first of all thank you for the great work that you have done in the past, to express my gratification at being a present part of it, to recognize from the perspective of the Presidency itself what it has meant to our entire country, and perhaps even to the world, and to express my belief and confidence that your achievements in the future will, if possible, be even greater for those who need us most.

Thank you very much.

NOTE: The President spoke at 4:35 p.m. in the East Room at the White House.

## National Earthquake Hazards Reduction Program

*Message to the Congress Transmitting a Report. June 22, 1978*

*To the Congress of the United States:*

Throughout its history, the human race has faced the threat of earthquakes, but in the last few years advances in science and technology have taught us more about earthquakes, and reduced the mystery of their origin and effects. These advances now permit us to anticipate earthquakes and to mitigate their potentially disastrous consequences. Today there is hope that we may eventually be able to predict earthquakes reliably.

Through the Earthquake Hazards Reduction Act of 1977 (Public Law 95-124), the Congress seeks to apply these advances by "the establishment and

maintenance of an effective earthquake hazards reduction program." I am transmitting today a plan for a National Earthquake Hazards Reduction Program. This program is designed to meet the objectives of the important legislation you have passed. It deals with: predicting and preparing for earthquakes; ways in which government, industry, and the public can apply knowledge of seismic risk when making land-use decisions; and achieving earthquake-resistant design and construction.

As this program emphasizes, the Federal Government must set a strong example in developing guidelines and standards for its own facilities. But Federal effort alone is not enough; to succeed in this effort, we must have the cooperative efforts of State and local governments, industry and business, professional and volunteer organizations, and the public.

JIMMY CARTER

The White House,  
June 22, 1978.

NOTE: The 30-page report is entitled "The National Earthquake Hazards Reduction Program."

## The Cyprus Conflict

*Message to the Congress Reporting on  
Progress Toward a Negotiated Settlement.  
June 23, 1978*

*To the Congress of the United States:*

As required by Public Law 94-104, this report describes the progress that has been made during the past sixty days towards a negotiated settlement on Cyprus.

On April 13 representatives of the Turkish Cypriot community presented to U.N. Secretary General Waldheim a description of the proposals that they intend

to put on the table once the Cyprus intercommunal talks, in recess since April 1977, are reconvened. After examining these proposals, the Secretary General issued a public statement characterizing them as "concrete and substantial" yet cautioning at the same time that he had reached no judgment on their merits. On April 19 the Secretary General travelled to Nicosia, where he explained the new Turkish Cypriot proposals to the Government of Cyprus. Later that day President Kyprianou declared to a press conference that the proposals were "entirely inadmissible" and totally inadequate as a basis for resuming intercommunal negotiations. At the same time, however, he did not completely close the door to a new round of talks.

These new Turkish Cypriot proposals represent a limited advance over the positions that the Turkish Cypriots have assumed in previous negotiating sessions. Reflecting earlier ideas, the new constitutional proposal stresses substantial self-government for each of the two zones and the concept of equality of representation for the two communities in the future central government of Cyprus. Yet it is substantially more developed and detailed than the brief and sketchy paper tabled by the Turkish Cypriot representative at the last round of talks in Vienna in April 1977. Our understanding, moreover, is that the Turkish Cypriots have in fact prepared an entire draft constitution for consideration once negotiations commence. As far as the territorial issue is concerned, the Turkish Cypriots have designated six general areas in the vicinity of the present demarcation line whose transfer to Greek administration they would be prepared to negotiate, and they have not ruled out discussing other areas that the Greek Cypriots may wish to raise. The Turkish Cypriots refrained from specifying

ing the percentage of territory that they would be prepared to transfer to the Greek Cypriot side on the grounds that this would deprive them of the negotiating flexibility they were seeking to preserve. While this territorial proposal is not as concrete as some would have hoped, it does represent an advance in that for the first time the Turkish Cypriots have clearly agreed to sit at the table and discuss territorial concessions. In a separate proposal on Varosha (New Famagusta), the Turkish Cypriots indicated that they would be prepared to permit Greek Cypriot inhabitants to return to their homes and properties in the city, which is now almost totally uninhabited but behind the Turkish line.

The Government of Cyprus has justified its rejection of the Turkish Cypriot proposals on the grounds that they provide not for the creation of a federation, as called for in the Makarios-Denktash understanding of February 1977, but rather for partition of the island into two separate states. Clearly there is a broad conceptual gap between the two sides on the constitutional issue. A second Greek Cypriot contention is that the April 13 proposals envisage the return of only a very small portion of the territory of the Republic of Cyprus to Greek Cypriot control and that Greek Cypriot resettlement of Varosha under Turkish Cypriot administration would be unacceptable.

The Turks and Turkish Cypriots have repeatedly stressed both in public and in private that they are fully prepared to be flexible and to negotiate in earnest once the talks are reconvened. They have underscored that the April 13 proposals represent only a starting-point and should not be construed as the final Turkish Cypriot position. Recently, more substantial indications of Turkish flexibility have

emerged. In a press conference in Bonn on May 11 Prime Minister Ecevit gave assurances that the political framework of Varosha is open to negotiation; the Turks have authoritatively stated that as many as 35,000 Greek Cypriots will be allowed to return to Varosha; and they have specified that this return can commence as soon as the talks are resumed. At the same time, however, the Turkish side has made it clear that no new proposals will be developed in advance of actual negotiations, which they have called upon Secretary General Waldheim to schedule without further delay.

On May 2 Secretary General Waldheim issued a statement noting that a significant gap continued to exist between the two Cypriot parties and announcing his intention to hold further consultations in order to clarify their positions regarding a resumption of the negotiating process. The Secretary General has recently met with President Kyprianou and Turkish Cypriot leader Denktash as well as with Prime Ministers Ecevit and Caramanlis. We understand that Special United Nations Representative on Cyprus Galindo Pohl will be undertaking further consultations in the area.

On May 22 Turkish Cypriot leader Denktash issued a statement which clarified and to a certain extent reformulated the Turkish Cypriot position on resumption of the intercommunal talks. This was in many respects a positive and encouraging statement. First, Mr. Denktash reaffirmed Turkish Cypriot readiness to enter into "sustained, intensive good-faith negotiations" with the Greek Cypriots, and he noted that he had made a commitment to Secretary General Waldheim to enter into these negotiations "with an open mind and in a spirit of conciliation and flexibility." Second, with respect to



the territorial issue, Mr. Denktash declared that he was prepared to consider "significant geographical readjustments" which would enable "a considerable number of Greek Cypriots to resettle." Third, Mr. Denktash spoke of important concessions on Varosha, including the return of some 35,000 Greek Cypriot inhabitants in the course of negotiations. And fourth, Mr. Denktash stated that the Turkish Cypriots were eager to discuss with the Greek Cypriots other steps for healing the wounds of the past, such as the reopening of Nicosia airport and joint economic projects. It should be possible to build on these ideas, and on the proposals put forward by the two sides, to move towards an early resolution of the Cyprus problem.

In his May 24 address to the U.N. Special Session on Disarmament, President Kyprianou put forward a proposal for the complete demilitarization of Cyprus and for the creation of a mixed Greek Cypriot-Turkish Cypriot police force, in proportion to population, under the guidance and supervision of the United Nations.

The Administration has fully supported the efforts of the Secretary General to reconvene productive intercommunal negotiations. We will continue to do so. It is our conviction that this is a crucial moment in the history of Cyprus. If talks are not resumed at an early date, opportunities for progress on the issue may well be delayed for some time to come, and as a consequence the unfortunate *de facto* division of the island could further solidify. It is for this reason that every effort must now be made to bring the parties together for sustained, good-faith, and productive negotiations.

JIMMY CARTER

The White House,  
June 23, 1978.

## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *June 17*

The President had breakfast with Brig. Gen. Omar Torrijos Herrera, Chief of the Government and Commander of the National Guard of Panama, at the El Panama Hotel, prior to the second multilateral discussion with other Latin American and Caribbean leaders.

Following the departure ceremony at Tocumen International Airport, which was attended by General Torrijos and President Lakas of Panama, the President left Panama and returned to the White House.

### *June 18*

The President and Mrs. Carter hosted a buffet supper and jazz festival, featuring 40 American jazz artists, on the South Lawn of the White House. The event was in honor of the 25th anniversary of the Newport Jazz Festival.

### *June 19*

The President met at the White House with:

- Zbigniew Brzezinski, Assistant to the President for National Security Affairs;
- the Cabinet;
- Vice President Walter F. Mondale.

At the invitation of the President of the Federal Republic of Germany, Walter Scheel, the President and Mrs. Carter will make a state visit to the Federal Republic

of Germany on July 14–15. While in Germany, they also intend to visit Berlin.

The President has designated Joseph O. Parker and William R. Alberger as Chairman and Vice Chairman, respectively, of the United States International Trade Commission, for terms expiring June 16, 1980.

*June 20*

The President met at the White House with:

- Dr. Brzezinski;
- Representatives Lester L. Wolff of New York and Glenn English of Oklahoma;
- members of the National Council of Churches Full Employment Mobilization Group;
- Hamilton Jordon, Assistant to the President, Robert R. Bowie, Deputy Director, National Intelligence, Central Intelligence Agency, and Dr. Brzezinski;
- Jay Solomon, Administrator of the General Services Administration;
- James T. McIntyre, Jr., Director of the Office of Management and Budget.

The President participated in a foreign policy briefing for Members of Congress at the White House. Secretary of State Cyrus R. Vance, Secretary of Defense Harold Brown, and Dr. Brzezinski also participated in the discussions.

*June 21*

The President met at the White House with:

- David L. Aaron, Deputy Assistant for National Security Affairs;
- Danny C. Tate and William H. Cable, Deputy Assistants for Congressional Liaison;
- the Democratic congressional leadership;

- Mrs. Carter, for lunch;
- business and trade association representatives, who were meeting to discuss civil service reform.

*June 22*

The President met at the White House with:

- Dr. Brzezinski;
- a group of Senators and Representatives, to discuss the Bonn summit meeting;
- Senator Russell B. Long of Louisiana and several other Members of Congress, and a group of administration officials, to discuss sugar imports and prices;
- Sayed Marei, Speaker of the People's Assembly of Egypt;
- representatives of the Greek American community.

The President transmitted to the Congress the annual report of the National Institute of Building Sciences.

*June 23*

The President met at the White House with:

- Vice President Mondale, Secretary Vance, Dr. Brzezinski, and Mr. Jordan;
- Frank B. Moore, Assistant to the President for Congressional Liaison.

The President departed the White House for a trip to Texas.

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**NOMINATIONS SUBMITTED  
TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

**Submitted June 22, 1978**

ROBERT H. MCFARLAND, of Mississippi, to be United States District Judge for the District of the Canal Zone for a term of 8 years, vice Guthrie F. Crowe, resigned.

**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released June 16, 1978**

Advance text: remarks at Cinco de Mayo Plaza, Panama City, Panama

**Released June 17, 1978**

Advance text: remarks at Fort Clayton, Panama

**Released June 19, 1978**

News conference: on congressional consideration of foreign assistance legislation—by C. Fred Bergsten, Assistant Secretary of the Treasury for International Affairs, and John J. Gilligan, Administrator of the Agency for International Development

Fact sheet: Federal Emergency Management Agency reorganization plan (No. 3 of 1978)

News conference: on Reorganization Plan No. 3 of 1978—Federal Emergency Management Agency—by James T. McIntyre, Jr., Director of the Office of Management and Budget, and Bardyl Tirana, Director of the Defense Civil Preparedness Agency

**CHECKLIST—Continued**

**Released June 20, 1978**

Announcement: commendation by Ambassador Robert S. Strauss of Surgical Care—Blue Shield of Wisconsin for joining in the administration's program of voluntary wage and price restraint

Announcement: nomination of Robert H. McFarland to be United States District Judge for the District of the Canal Zone

**Released June 21, 1978**

Advance text: remarks at the Organization of American States

News conference: on the President's message to the Congress on legislative vetoes—by Attorney General Griffin B. Bell, Stuart E. Eizenstat, Assistant to the President for Domestic Affairs and Policy, and John M. Harmon, Assistant Attorney General, Office of Legal Counsel

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**ACTS APPROVED BY  
THE PRESIDENT**

**Approved June 19, 1978**

S. 1640----- Public Law 95-296  
An act to designate the Mike Monroney Aeronautical Center.

H.R. 130----- Public Law 95-297  
Petroleum Marketing Practices Act.

H.R. 3996----- Private Law 95-40  
An act for the relief of Young Hee Kim Kang and her children, Hee Jae Kang, Hee Jin Kang, and Hee Soo Kang.

**Editor's Note**

*Note Concerning the Closing Time of This Issue*

The President left the White House on Friday morning, June 23, for a trip to Texas. Releases issued on the trip will be printed next week.



# PRESIDENTIAL DOCUMENTS

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Week Ending Friday, June 30, 1978

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## Fort Worth, Texas

*Remarks and a Question-and-Answer Session at a Luncheon Sponsored by Fort Worth Civic Organizations. June 23, 1978*

THE PRESIDENT. *Senator Bentsen, Majority Leader Jim Wright, Mayor Parmer, Mr. Tinsley, distinguished officials, and other citizens of this beautiful part of the world:*

I'm glad to be back in Fort Worth. When John Kennedy came here 15 years ago, he said, "I'm glad to be in Jim Wright's city." It's the way I feel.

I have to work daily with the top leaders of Congress. Jim Wright occupies one of those top positions. He's a man of sound judgment, sensitivity, knowledge of our country and, above all, represents the epitome of what is the spirit of Texas, and you can't be any better than that.

It's good to come to Fort Worth to be with the Chamber of Commerce and all the guests who have welcomed me here. You have a 3.4 percent unemployment rate. You must be doing something right. You've got the tremendous metropolplex area here—Dallas, Fort Worth—the second largest community in the world not on a major waterway, and Jim Wright is trying to work on that. *[Laughter]*

Jim Wright mentioned the word "courage," and it kind of describes the way I

feel today to come here among westerners who are interested in unlimited water projects, farmers who are concerned about beef imports, oil and gas producers who are concerned about energy legislation. I feel about like Proposition 13 at a bureaucrat's picnic. *[Laughter]*

This noon, I'm going to make just a few remarks and then spend what time we have available answering your questions. As a Georgian, I would want to point out the Dallas and Fort Worth airport is the fourth largest in the world. The second largest happens to be in Atlanta.

Bob Strauss is helping me, as you know, with inflation, and we are concerned about the value of the dollar overseas. On the airplane, he came up to my cabin and said, "I've got a good idea on how to make sure that the foreign currency doesn't improve its value faster than the American dollar." He said, "I think we ought to get the German deutsche marks, the Japanese yen, and run them through the change machine at the airport over here at Dallas and Fort Worth. *[Laughter]*"

It's exciting for me to come to a State that has 25 percent of all our oil, 35 percent of all our natural gas. If it was an independent nation—and thank God it's not—it would be the fifth greatest energy producer on Earth, a State that's number one in cattle production, number one in

cotton production, number one in grain sorghum production, a State that stands for the essence of what America is.

I've tapped very heavily in Texas to help me with some of my most important questions, and quite often at a Cabinet meeting, Bob Strauss will look around and remind me that Texas outnumbers Georgia 2 to 1 when the Cabinet meets with me.

I'm committed to a strong defense, and Charles Duncan from Texas, the Deputy Secretary of Defense, is there at my right hand constantly to deal with problems of increasing the power of NATO to maintain peace. I'm interested in preserving peace in the Middle East. Sam Lewis, Ambassador to Israel, happens to be a Texan.

We're trying to deal with inflation. Bob Strauss is helping me there—happens to be a Texan. We're dealing with the Federal bureaucracy. One of the most important goals that we have is to bring about more efficiency with civil service reform. The leader of this effort, the Chairman of the Civil Service Commission, is Scotty Campbell—happens to be a Texan.

We're dealing with some of the sensitive human issues, immigration, naturalization laws. The man in charge of this, Leonel Castillo, happens to be a Texan.

A year ago my biggest problem domestically was an extremely high unemployment rate. We've brought it down now 2 percent. We have 5 million more Americans at work today than we did when I came in office. The man responsible for that to a major degree is the Secretary of Labor, Ray Marshall, who happens to be from Texas.

I think last year the Congress passed the best farm bill of all time. It's starting to turn around some serious problems in agriculture. The Deputy Secretary of Agriculture who helped marshal

this bill through the Congress was John White, who happens to be from Texas.

I could take all my time talking about others who helped me in Washington. But I think you can see very clearly that what we are doing there represents accurately, with strong leadership from your State, what Texans want and expect from government.

I'd like to mention just two particular items before I answer questions. One of them is agriculture, because I know this is the center of one of the major producing areas of the country, even the world. We have had some improvement since last August when the new farm bill went into effect. Farm prices are up 25 percent; wheat, 30 percent; soybeans, 30 percent; corn, 40 percent; cattle, 40 percent.

I'll discuss in a few minutes the problems with beef, because I know that's so important to you. But even by increasing beef imports to a very tiny degree, compared to total production, we'll still have in our country this year 1 billion pounds more beef consumed than we can or will produce.

We've had net farm income go up. Last year net farm income was about \$20 billion. We anticipate now a 25-percent increase, to more than \$25 billion this year.

And we've concentrated on exports, as well. Last year we set an all-time record for farm exports, \$24 billion, and we'll increase that this year with a total tonnage of farm exports, even with a better price, up about 10 percent.

The other item I'd like to discuss briefly, and I'll talk about it more in Houston this evening, is energy. Our national will is being tested. We are the only developed nation in the world that has not cut back on energy consumption since the oil embargo and the rapid increase in price brought about by OPEC

in 1973. Oil imports have doubled in the last 6 years.

In 1977, we imported \$10 billion more oil than we did the year before. And we have not yet come to grips with one of the greatest and most complicated challenges that any government has ever faced. We must conserve scarce energy. We must provide adequate incentives for increased exploration and increased American production. And we must search out also alternatives, permanent alternatives, to the depleting fossil fuels on which we are so heavily dependent.

The present energy policy of our country encourages consumption; it discourages exploration and production. The Congress so far has made good progress; they've been dealing with this question now since April of 1977. And I look forward to this chance today and tonight and tomorrow to discuss these two major issues with you and others—agriculture, trade, exports, inflation, and how they are tied in directly with the energy question.

This is a job, the Presidency of the United States, that is sometimes lonely. I represent what our Nation is to other people around the world. And it grieves me at times not to be able to put forward a demonstration of accomplishment, a willingness for us to deal with those crucial questions that are of importance to us all. I've had remarkable cooperation from Jim Wright, Lloyd Bentsen, the congressional delegation, other Members of the Congress, in this first 17 months.

In spite of the transient concerns that we have about unemployment, which is improving, inflation, which is still a serious question, our Nation is still strong, able, dedicated, idealistic. It's solid in its permanent commitment to the ideals that have made our country great.

We stand for something all over the world—decency, freedom, democracy, hu-

man rights, growth, vigor—and as long as I'm in the White House, I'll represent you in these commitments.

I'd like to close by saying this: Every time I've ever come to Texas, every time my wife or my family have ever come to Texas, even in those months long ago when I was a lonely candidate whom very few people knew or cared about, we have not only been well received with typical Texas hospitality, but you've given me a chance to speak my piece, to make my views be known, and you showed confidence in me. I thank you for it.

I feel personally a compatibility with the people of Texas. We share a lot, and as President of the United States, I feel a great compatibility with what you are, people who believe in patriotism in its finest form, people who have shown in the past an ability to provide great leadership, with Lyndon Baines Johnson and many others, and those who are always willing to face the future, not with fear or timidity or trepidation, but with courage, anticipation, and confidence that our great Nation and your great State will be even greater in the years to come.

Thank you very much.

And now, I'd like to answer some questions.

## QUESTIONS

### U.S.-SOVIET RELATIONS

**Q.** Mr. President, my name is Hal Ray, Jr., and I'm from Wichita Falls. Your National Security Adviser, Mr. Brzezinski, and Secretary of State Vance seem to have differing views on the United States relations with the Soviet Union. Would you tell us what you think of the relationship between our two nations and the seeming to be cooling off attitude between us and the Russians?

**THE PRESIDENT.** Yes. I'd like to say first of all that there is an overwhelming cooperation and compatibility between Secretary Vance, Dr. Brzezinski, Harold

Brown, who heads the Defense Department, and others who help me shape foreign policy.

Unfortunately in our country, quite often special interest groups who don't like what I decide—and I'm President, and I make the final decisions—always look for a scapegoat or someone they can attack without attacking me personally. And I don't think it's fair. It's certainly not right for the Soviet Union and Cuba to jump on Dr. Brzezinski when I'm the one who shapes the policy after getting advice from him and others.

We want to get along with the Soviet Union. We are determined to stay strong. We're not going to let the Soviet Union push us around. We're not going to be second—[*applause*]. We're not going to be second ever in the principles on which our Nation stands. We're not going to be second to anyone in our economic status, the political strength of our country, the dependence upon what our people individually are, our commitment to human rights, nor militarily. And I want to be sure that in all of our dealings with the Soviet Union and other countries, that this is clearly understood.

I believe that the best way to get along with the Soviet Union, to emphasize friendship and cooperation and peace, is for our country to be consistent, is for our country to be strong. I'm determined to have a SALT agreement with the Soviet Union without unwarranted delay. We're making good progress. I'm determined to have an agreement with the Soviet Union on a comprehensive test ban to stop the spread of atomic weapons among our two countries and around the world. And I would like to see improved trade with the Soviet Union, to give our farmers and others a better market for our products. And we are proceeding with those in an unconstrained, uninterrupted way.

So, I would say that we shape our foreign policy in complete harmony. I make the final decisions. And I believe that we are dealing from a basis of strength. And I think the Soviets in the long run respect that strength. We've not been pushed into a corner by artificial deadlines on SALT negotiations. We're doing it slowly, carefully, and methodically. And I want to be sure when we do have a SALT agreement—which I expect, as I say, without further delay—that it will be based upon adequate strength for our own country, compared to the Soviets; a good verification procedure, so we can ensure that the agreement is carried out to maintain the strategic balance, so neither country will have an advantage over the other. And I believe that we will be successful.

I have complete assurance that our relationship with the Soviet Union is stable. And I reserve the right, when they make an unwarranted intrusion, for instance in Africa, to speak for our country and deplore their threat to the good attitude that American people would like to have with the Soviet Union that demonstrates its desire to have peace, which is what we want.

#### NATIONAL HEALTH CARE

Q. Mr. President, other dignitaries, and guests, I'm Eve Schultz from Mansfield, Texas. My question is, do you have any new ideas or information that you might wish to expand on regarding a national health policy?

THE PRESIDENT. As you presently know, our Nation is laboring under an inadequate health program. The cost of health care is growing at more than twice the nationwide inflation rate. We've had a rapid increase in the total financial burden of Americans for health care. We have dozens of Federal agencies now responsible for administering our health laws. What I want to see evolved is a



comprehensive health care plan that will give Americans good health care, primarily emphasizing prevention of disease at the lowest possible cost, with an emphasis on outpatient care instead of inpatient care, an increased use of immunization programs, non-medical-doctor care, when it's appropriate under the supervision of medical doctors, and a tough anti-inflation component.

We are trying to evolve this in such a way that we will not have a major increase in the cost of health care in our country. And I want to be sure that when we do put a health care program into effect, whenever the Congress decides to do so, that the cost of a given level of health care will not be higher, but lower.

The exact rate of implementation of such a health care plan will have to depend upon budget constraints and the change, which might be slow, in the Federal bureaucracy. But we are working very carefully on it, and within the next few weeks, I will present to the Congress—rather, to the Secretary of HEW, a set of principles in more detail than I've just described to you.

Secretary Califano will then consult with Members of Congress, the medical care community, doctors, hospitals, and others, and make a recommendation publicly later on this year. But those are some of the principles that I see as being needed—careful attention to cost, better preventive care, outpatient care, immunizations, and a broader use of health care professionals and less cost for Americans for a given level of care. I believe we can do all those things within the constraints I've set.

#### NUCLEAR POWER

Q. Mr. President, my name is Joe Cook, and I'm from Dallas. First, I'd like to preface my question by saying that I

welcome you to our area and that I certainly am proud of the many accomplishments which you've stated today, although on occasion I have disagreed with you.

My question concerns one of your campaign promises to reduce our country's dependence on nuclear power as the primary energy source for the future. Your reasons at that time, which I wholeheartedly agreed with, concern the environmental and health dangers from operation of the plants, and especially lack of safe ways to dispose of nuclear wastes, some of which have a half-life of some 250,000 years.

Your administration's energy policy under, I presume, substantial influence from Secretary Schlesinger, seems to be moving in the opposite direction. Why is that? And specifically, what will you do to deemphasize nuclear power and stimulate rapid development of safe alternative energy sources, such as solar, for the future?

THE PRESIDENT. Dr. Schlesinger is here. [*Laughter*] But I'll answer the question.

I think we've got a very good and sound policy evolving concerning nuclear power. My own background in graduate work is in nuclear physics and nuclear power, and I think I understand both the limitations and the capabilities of nuclear power as a layman and also as President.

We've tried to emphasize as best we can the shift toward permanent fuel sources—Texas has taken a leadership role in that—more use of coal, decreased waste, more conservation, and the use of nuclear power in such a way that it will be safe, that waste products can be disposed of as they have not been in the past, in a safe fashion, and a predictable fashion, and to stop the spread of nuclear explosives around the world.

The Congress has now passed legislation ensuring a nonproliferation policy by the end of this year.

For the first time in 30, 35 years, we'll have a proposal to make on waste disposal. We've tried to expedite the licensing of nuclear powerplants which are needed, to be sure they'll be located in safe places and to be sure they're environmentally acceptable.

So, I would say that our position is balanced. I have never said, nor do I believe, that we should not use nuclear power. But we ought to have conservation, permanent sources used, like solar power, long-term sources like coal, and have nuclear power, when it is used, be safe.

#### INFLATION

Q. Mr. President, my name is P. L. Jones. I'm from Arlington, Texas. And my question is, do you think there is a chance of a decrease in the inflation rate in the near, foreseeable future?

THE PRESIDENT. No. [Laughter] I think the underlying inflation rate has now gone up about a half of 1 percent. We did have an extraordinary inflation rate for the first 3 months of this year. That will not be maintained; it will go down, I think, some. But our first goal is just to stabilize the inflation rate and not let it keep going up. This is not an easy thing to do. It's going to require tough government action, and I intend to do all I can to prevent unnecessary spending. I'll use the veto, if necessary, to stop any attack on holding down the budget deficit.

The Federal Government can also set a limit on how much unnecessary regulation costs on the inflation rate. Airline deregulation has been a good example of that. We are trying to get industry and labor to cooperate. But you have to remember that we have very fine special interest groups, each one of which wants everybody else to

control inflation. Everybody wants to build water projects. The veterans want more payments. Farmers want higher prices. We want to have as much increase in wages among labor unions. Business doesn't want to have their own profit margins or prices constrained. Teachers want more money for education, and so forth.

Every one of those groups has a good argument, and somebody has got to stand up and say, no, inflation has got to come first. And that person is me.

Since I mentioned teachers, let me say, "That person is I." [Laughter]

#### EMPLOYMENT OF MINORITIES

Q. Hello, Mr. President, my name is Guinevere Bradley. I'm from Sweetwater, Texas. I'm representing the Mayor's Council on Youth Opportunity, and my question is, with rising prices and inflation at its highest, what do you see in the future for better hiring practices, more and better jobs for minorities?

THE PRESIDENT. As I said a few minutes ago, a year ago the overriding question that was on my shoulders, as the number one domestic problem, was unemployment. We had about 8 percent unemployment when I came in office. Because of the good action of the Congress and also the private sector, we've improved that substantially. We've had a net increase of about 5.5 million jobs in the last 17 months. Among adult male minority Americans the unemployment rate has dropped substantially. Among all Americans the unemployment rate has dropped substantially.

In Texas, for instance, the unemployment rate has dropped over 2½ percent. You've had more than 500,000 net jobs added in Texas in the last year. But we still have a very serious problem among minority young people and minority women.

My guess is that these focused Federal programs that are already on the books and already financed, the comprehensive education training programs, local public works, and so forth, can now be focused much more accurately upon those minority citizens who have not yet benefited, because they are ordinarily the last ones hired and the first ones fired. And as the general economy improves, that competition for scarce jobs goes down, and the Federal programs, which I hope will be temporary and not needed in the future, can be channeled much more accurately to the people about whom you asked.

Thank you.

#### U.S. POLICY IN AFRICA

**Q.** Mr. Carter, I'm Lloyd Gite, presently living in Dallas. There's been a lot of talk in the last year or so about the situation in southern Africa. The United States Government has expressed an interest in seeing that majority rule comes to Rhodesia, Zimbabwe, better known as South Africa, and also Namibia, better known as South West Africa.

I'd like to know just how far the United States Government is willing to go to see that majority rule comes to those three countries, especially South Africa. Just how committed is the United States Government?

**THE PRESIDENT.** I understand this will have to be the last question, but let me try to answer this as briefly as I can.

I think all of you would agree that our Nation's interest in the tremendous continent of Africa has only been aroused in the last few years. We have a uniform policy, both publicly and privately, to encourage majority rule in the nations of southern Africa.

We have a new friendship, I believe, with major African leaders, those who are the frontline states around Rhodesia, the leaders of Nigeria and others. We have

combined our efforts with those of the British, primarily, who have a legal right in Rhodesia to try to bring about majority rule there.

Secretary Vance, myself, and our constant efforts through our delegations, ambassadors, and so forth, are trying to bring together the so-called internal government leaders, four of them, as you know, and those comprising the so-called Patriotic Front. We want to do this in such a way that the interests of the minority groups there, who are white, are protected, and so that there can be free elections and unlimited registration. These are the principles that we have put forward.

The arguments at this point are about the transition period. What will be the role played by the United Nations? Who will control the police? How will the two armies be merged after a settlement comes? Who can qualify to run for public office?

In Namibia, we represent the United Nations with four other major Western countries—Canada, Great Britain, France, and Germany. We're trying to bring about a situation where South Africa will withdraw from Namibia and permit free elections to be held, based on those same principles of majority rule.

We are down to just a few, mostly two, remaining issues. One is the status of Walvisbaai, which is a seaport there in Namibia. The other one is how many South African troops will be left in Namibia during the election period, and where they will be located.

We're making progress. I think it's accurate to say that we have let our views be known much more freely the last year and a half than before. The South Africans know very clearly that we stand for those principles that I have described to you. And we will not change those commitments at all.

This is a very troubled part of the world, and it would be a mistake for us to lose the trust of people in our good intentions and in the integrity of what we say. But I believe everyone involved understands that what I've outlined to you very briefly is our constant, unchanging public and private policy. We intend to pursue it with tenacity; we will do the best we can to bring about our hopes there; we will not get militarily involved on the continent of Africa.

Let me say again how deeply grateful I am to come to meet with you. You've received me well again. It makes me feel proud to be President, to come and see such a large group who are interested in our Government. And I ask you to give me your support, your confidence, your criticisms when you disagree with me, and at all times, your prayers.

Thank you very much.

NOTE: The President spoke at 1:16 p.m. at the Tarrant County Convention Center. In his opening remarks, he referred to Mayor Hugh Parmer of Fort Worth and Jack Tinsley, executive editor of the Fort Worth Star-Telegram and an organizer and master of ceremonies for the event.

## Ellington Air Force Base, Texas

*Remarks on Arrival. June 23, 1978*

Thank you very much for coming out to make me feel so much at home. Mayor McConn, Senator Bentsen, Congressman Bob Gammage, Congressman Bob Eckhardt, other members of the Texas congressional delegation, NASA guests, and Texas friends, thank you very much.

First of all, I want to express my deep appreciation to all of you for coming out this afternoon to make me feel welcome again to one of the greatest States in the

country and a State which exemplifies in the finest possible way all the characteristics that make our Nation the greatest nation on Earth.

I arrived at Carswell Air Force Base this morning and had a meeting with about 6,000 people in Fort Worth for a short speech and a question-and-answer period. This afternoon, as you may know, I'll be making a speech to a group in Houston, and I hope some of you will come to hear me. Tomorrow I go to Beaumont and then on to Fort Hood.

I think all of us who leave Washington and who come to Texas have the same reaction. It's big, it's open, it's progressive, it's friendly, and the people are patriotic and have always been good partners of mine, and I thank you for that.

Ellington Air Force Base is certainly the embodiment of all these characteristics. The people of the United States have a sentimental attachment to Ellington. From its early days as an air base during World War I, long before aviation played a very significant role in the defense of our country, to its latest role as a training site for the most advanced astronauts on Earth, working to make the space shuttle a success, Ellington has made a significant contribution to our Nation's security.

I know that you've been concerned about the future of Ellington. The General Services Administration and the Office of Management and Budget, my own staff, and others have been carefully studying this problem ever since the Air Force decided that it no longer needed to use Ellington on a full-time basis as an air base. Bob Gammage has kept this issue constantly before us all. *[Laughter]*

As a result of this study, I'm pleased to be able to announce today that GSA, the United States Government, will not be releasing Ellington for public sale.

There were two significant factors that we had to consider in making this decision. First was my concern about any possible adverse effect on NASA's space program, which is so important to our country and to the world.

NASA has occupied, as you know, an enclosure at the southern end of the Ellington flightline since the time that the site for the nearby Johnson Air Space Center was first selected in the early 1960's. NASA uses those facilities primarily for flight operations, to support the Johnson Center, and for the astronauts proficiency training program. This is a program that our Nation needs to maintain the strength of our country in the space program, and the decision to retain Ellington will allow this important work to continue.

Second is that we need more time to determine the best future use of this very valuable property. Many interests are involved in that decision—the Federal Government and many agencies of the Federal Government, the State, local governments, and also the people of this area, and we must do careful, patient work to plan how best to accommodate all these varying needs.

I've asked the General Services Administration to develop a long-range plan for the proper use of this facility. I've asked that in reaching their decision, they take into consideration not only Federal, State, and local government needs but also the economic and commercial needs of the surrounding community.

I suspect that many of you have been giving this problem some consideration. Bob Gammage, Senator Lloyd Bentsen in particular, have been fighting so hard for your interests and the interests of the Nation in maintaining this base. They join me in asking you to communicate your views, through them, about how this valuable property might best be used.

In the interval, I've asked Jay Solomon, who's the Administrator of the General Services Administration, to manage and to maintain this base.

In my remarks a few hours ago at Fort Worth, I mentioned some of the economic forces that make our Nation strong. Tomorrow, at Fort Hood, where I, as Commander in Chief of the Armed Forces, will see a demonstration of American firepower, I will review some of the superb military capability that protects our place and our peace in the world. The people of this State, this region, and of this base, have always proudly served in that same cause, defending our Nation's interests and our principles whenever they may be threatened.

I'm glad to know that in different ways Ellington Base will continue to serve our country.

Again, I'd like to express my thanks for your presence, my admiration for the great State of Texas, and my hope that I will see many of you this evening. But for the time being now, I'd like to come and shake hands with some of you, to let you know how much I think of you.

Thank you very much.

NOTE: The President spoke at 3:33 p.m. In his opening remarks, he referred to Mayor James McConn of Houston.

## Houston, Texas

*Remarks at a Democratic Fundraising Dinner.  
June 23, 1978*

*Governor Dolph Briscoe, Governor Edwin Edwards, Mayor McConn, Majority Leader Jim Wright, Congresswoman Barbara Jordan, Congressmen Eckhardt, Gammage from this area, and others in the great Texas political delegation in Washington, Attorney General John Hill, Lieutenant Governor Hobby, fellow*

*Democrats that I've met already tonight from Texas, Oklahoma, Louisiana, New Mexico, Florida, California, Arkansas, Mississippi, and other States:*

I'm glad to be here with you. Thank you for the wonderful welcome. It's a wonderful night for Democrats.

It would be difficult to single out all the brilliant Democratic political leaders who are here tonight. But I would like to comment on two Texans whom I've gotten to know well and who mean a lot to me. One of them is Senator Lloyd Bentsen, a man who's difficult to describe in adequate superlatives, who is a fiscal conservative, who's a social progressive in a very courageous way, who has a strong national defense commitment, who's a statesman on foreign affairs, and within this framework of brief description, is one of the strongest advocates for Texas and what you stand for that I've ever met.

When we agree, he's a valuable ally; when we disagree, he's a fair and a formidable adversary. He is a man who's completely qualified to serve not only in the United States Senate but in the very highest office of our land. And since I never found an appropriate occasion to say this during the Texas Presidential primary in 1976, I wanted to say it tonight. [Laughter]

The other Texan is not quite so well known, and before I say a few comments about him, I'd like to give a little background.

Right after I was elected President, Helen Strauss called me on the phone, and she said, "President Carter, I would like to ask a favor of you." I said, "I'd be glad to do anything for you, Helen." She said, "I'd like for you to give my husband a job." [Laughter] And I said, "Well, you've been a friend of mine for a long time, and I care a lot about you. I know you as a superlative American leader. Who is your husband?" [Laughter]

She said, "My husband's name is Bob Strauss. He has been the chairman of the Democratic Party." And I said, "Yes, I believe I've heard of him, although I don't know him well." [Laughter] I said, "Can you tell me something about his qualifications?" And she said, "Well, we are old friends, are we not?" And I said, "Yes, we are." She said, "Well, it would suit me better if we didn't discuss qualifications." [Laughter]

I said, "Well, why, since you all have lived in Washington, would you want to get your husband a job to stay in the Capital City?" She said, "Well, in the first place, he's exhausted from helping with the campaigns of Lloyd Bentsen and Scoop Jackson." [Laughter] "He would like to have a job where he can stay home every night and get some rest. He's become accustomed to beautiful clothing styles and the Washington night life. He hates to go back to Texas and get his fancy Italian shoes messed up with cow manure." [Laughter]

I understand now that he's on a Federal salary with a pay freeze in, that he's buying his shoes from South Korea and Taiwan and Hong Kong. [Laughter]

But to make a long story short, Bob Strauss has come to work for me, and he does an absolutely superlative job. Not only does he represent our Nation well in international economic circles, but he very often gives me sound advice, seriously speaking.

He pointed out to me that in Texas he had been quite successful and that one of the reasons for political success was that there has to be an intimate trust and interrelationship between the top political officeholder and those who serve in important positions, that one of those ways to guarantee this is have a blood relationship. He made two recommendations, one of which I did not follow, and the other one

I did. He recommended by brother, Billy, as Ambassador to the Vatican. [Laughter] I couldn't take this advice for several reasons that I won't describe tonight.

But when he made the second recommendation, I decided to take it. He said he had a first cousin who was quite knowledgeable about Europe, and when I began my trip in January to the Eastern European countries, he said his cousin spoke excellent Polish and would be—[laughter]—

Well, you can see the reason for the sound relationship that I have formed with Bob Strauss, a great Texan. [Laughter] And he represents our country well. He doesn't create much problem overseas. Prime Minister Fukuda did come by to see me the last time he was in Washington and said that Bob Strauss was causing him some problems, that he had gotten the majority of the members of the Japanese Diet to vote for the Japanese state patrolmen to leave their Hondas and ride Harley-Davidson motorcycles. [Laughter]

But I think all of you would agree that in the finest sense of the word, that Bob Strauss represents Texas and the United States and the Democratic Party in a superlative way.

I hate to go to the next Cabinet meeting, because I'm just getting him back for the last few that I've been to with him—he always gets the best end of the deal.

The first time I met Bob Strauss and had a chance to talk with him, he said that the Democratic Party was a crumbling coalition held together by two things—its debts and Texans. [Laughter]

The last part might still be true, but I can tell you that Bob Strauss and John White have done a great deal to remove the ties that bind us together because of overwhelming debts. We have now re-forged historic old alliances, and our party has been reinvigorated because we are a party with plans, with programs, and with

unchanging ideals. Our country might be able to get along without Texas oil or Texas agricultural products, even for a while without Texas income taxes, but we could never get along without Texas brainpower and Texas political leadership.

Democrats from your State in this century have been remarkable for their superb leadership qualities—two great Speakers of the House, John Nance Garner and Sam Rayburn; two Vice Presidents, one of whom was John Nance Garner; and the hardest working President and one of the most successful Presidents that the United States has ever known, Lyndon Baines Johnson.

Since I began my work in the Oval Office I've made a point to study in my spare time the history, the biographies of those who have served our country in the same position. In some ways, this is a lonely job. And as I've analyzed the place in the evolution of our country that different predecessors of mine will fill, I've been increasingly impressed with what President Johnson did in a time of great upheaval, sorrow, division. The strength of his leadership held our country together. And he was able, from the most powerful position on Earth, to reach his hand and his heart effectively to those who were poor, who were black, who didn't speak English well, who were not well educated, who were inarticulate, who had little power or little prestige or little influence, and he aroused the conscience of a great nation.

He pointed out to us our failures and our defects and, through his concerted and effective work, did not only arouse the American people but aroused the Congress, had passed into law the civil rights acts, the voting act that has given Americans a final realization of what our Constitution long guaranteed, but for a long time did not see fulfilled. And as a Presi-

dent now, I feel a sincere debt of gratitude to this great Texan, this great American.

Emerson said that the two national parties have always been divided: one, the party of memory, and the other one, the party of hope. Our party, the oldest political party in the world, is still the party of hope, of youth, and of vitality. That's why I'm convinced that John Hill will be Texas' next Governor. And that's why I'm convinced that Bob Krueger will go to the United States Senate, and to replace almost 200 years of congressional seniority, why eight bright, energetic Texans running for the seats of retired Texas Representatives in the House will win this fall.

And Texans will not be the only winners. We have other winners here tonight. New Mexico's Bruce King will go back in as Governor. And one of the brightest young American politicians, Bill Clinton, will be the new Governor in Arkansas.

Our candidates will win, because the Democratic Party is the party of hope. But it's also the party of leadership and compassion. The Texas party and the national party work together. Texas Democrats don't waste time fighting other Democrats after the primaries. And I would particularly like to cite Joe Christie as a wonderful example of this attitude.

The Texas party and the Oklahoma, Arkansas, New Mexico, and the national parties share the same basic goals—fairer taxes, lower taxes, more money in American workers' pockets.

Last year, the Democratic Congress reduced income taxes \$6 billion. This year, I hope to see the Congress reduce income taxes another \$15 or \$20 billion. We believe in work, fewer handouts for those able to work, more jobs for them, more able Americans off the dole, onto the payroll.

We're considering welfare reform to accomplish this purpose, and we believe that jobs primarily ought to come in the private sector of our economy, with the government filling in those areas for people that are the last to be hired and the first to be fired and who need to be introduced to what it means in this great country to hold a job, to have one's own capability realized in productive effort.

We believe in balanced budgets, we believe that public officials ought to be eagle-eyed and tight-fisted about government expenditures, that we ought to be prudent trustees of the taxpayers' money. We believe that government waste ought to be eliminated, that mismanagement should be corrected. We believe in putting merit back in the merit system and to give managers the ability to manage. We're going to do all these things if we work together.

And the Democrats believe in the free enterprise system. Sometimes our party doesn't get credit for the depth of this belief. We do believe in tough competition, which is part of the essence of our economic system. We believe that excessive government interference in business ought to be eliminated.

A year and a half ago, we inherited a horrible conglomeration of not only regulations but increasing regulations. In 1 day last year, we got rid of 1,100 OSHA regulations at one sweep. And we are now committed to writing regulations that are necessary, simply, in plain English, and we are giving the authors of those regulations the opportunity to sign them when they get through writing.

We believe in American cities, and we inherited a deteriorating condition, not only in the older cities in the North but the newer, more vigorous cities throughout the Sunbelt. We believe that we ought to form a new partnership between government at all levels, private enter-



prise, volunteers, neighborhood groups who work together to revitalize that center of growth and culture and exchange of ideas. We believe that we need to attract back to the central, deteriorating parts of our cities new growth, new investment, new courage, new confidence in the future.

We believe that American agriculture ought to be strong, and we recognize that it is the greatest single strategic advantage that this country has over all others. We are the breadbasket of the world, and we're going to stay that way.

These issues are part and parcel of our commitment to global peace, to prosperity, not only for ourselves but for others: where men and women might be free to make their own decisions; where democracy and democratic principles might be enhanced; free markets might be guaranteed for the exchange of goods that we ourselves as Americans exemplify; our rededication to the United States Constitution, its principles, and the Bill of Rights. And as long as I'm in the White House, our country will stand for the pursuit without ceasing to establish and to maintain basic human rights throughout the whole world.

Now, I know that Democrats don't always agree. We are sometimes a contentious bunch. We always fight among ourselves at times, and we probably always will. But it's kind of a family fight. Like families, we know how to kiss and make up, and we also know how to multiply. [*Laughter*]

I want to talk tonight, in wrapping up my speech, about two basic issues, issues that this Nation cannot afford to ignore: energy and inflation. Energy is our most urgent legislative priority, one in which our very security as a nation is at stake. And I'm going to go into it tonight in some depth, because I have some points I want to make to you. Inflation is our

most serious domestic problem at this moment. Let me talk about inflation first.

The United States is not the only nation struggling with this problem. Nearly every country on Earth is battling the twin problems—and they are interrelated—of inflation and unemployment. And we are doing better than almost anyone else.

We are beating down unemployment in this country. We put more people back to work in the first 18 months of this administration than any other administration in United States history. There are now 5½ million more people holding jobs today than there were 18 months ago.

And we intend to beat inflation, too, and without sacrificing our steady growth and our economic expansion. We will do it without throwing people out of work. We'll do it without sowing the seeds of another severe recession. We're going to put an end to the cycle of boom and bust that has plagued the American economy—American business, American farmers, American consumers—for the last decade or two.

To achieve our first objective, which is to stop inflation from rising any further, I've set some very tight limits on Government expenditures. We will reduce Federal spending as a percentage of the gross national product for the first time in this generation.

We will continue to use personal and corporate tax cuts to promote that economic growth and investment so that we can have a stable and a more prosperous America.

It won't be easy. The administration and the Congress will have to resist very heavy pressure from strong interest groups—highway contractors, defense contractors, homebuilders, dambuilders, even from farmers, educators, veterans, local officials, State officials. I'm prepared to use the full powers of my office—every

resource at my command, including the veto—to hold the line on the Federal budget.

Now, all these are good groups, and it's never pleasant or popular to say no to a useful program. The budget that was proposed to the Congress is a bountiful budget, it's an adequate budget, it's a Democratic budget. But each of the proposals for increased Federal spending, I realize, has great appeal. But there comes a time when a nation must draw the line. There comes a time when we must look beyond each narrow interest, no matter how beneficent it might be, to the overriding interests of our Nation. And that time has come.

I'm prepared to draw the line. I will be the one to say no. I ask you for your support, even when you have to be the one to make a sacrifice.

In every way that government can influence inflation, we will do it—through reorganization of the Government bureaucracy itself, through civil service reform, which I hope the Congress will pass without delay, through tax reform, and, wherever possible, for safe and appropriate deregulation. I'm personally trying to make regulation as efficient and economical and as minimal as possible.

Together, all these measures together and others will reduce that portion of inflation that government has caused and set an example to help us all stop the rise in the inflation rate.

But our long-term task is not just to stop the rise in the inflation rate but to push the inflation rate back down. We've set a very specific deceleration target to make sure that prices and wages rise less each year than the average for the 2 preceding years. Inflation, therefore, must be lower in 1979 than it is in 1978, and lower in 1980 than it will be in 1979.

We've set an example at the Federal level. We've frozen the salaries of our

senior people and cut the cost-of-living increase for all other Federal employees to 5½ percent. We're waiting for the Congress to act on this. I believe they will. We've asked Governors, mayors, and others to follow our example.

In every sector of the economy there is a need to adopt this deceleration standard each year and, therefore, to make steady progress. These inflationary pressures have taken many years to develop. The causes are complicated, difficult to discern, and multitudinous. They will take many years to overcome. But we can overcome them through patient and persistent attack so long as we work together and exercise mutual restraint, sometimes mutual sacrifice in our common interest.

The other subject I want to talk about in closing is energy. And if there is any applause in the next 5 minutes, I want you to know that I will consider it the moral equivalent of hospitality. *[Laughter]*

If ever we have faced a test of our national will, it's now. America has lived high on low-cost energy. We've consumed ever increasing amounts of oil and gas at prices well below their replacement cost. Despite the lessons of 1973, we still have no national program to bring energy demand in line with energy supply. We are the only industrial nation on Earth that has not cut energy consumption since the OPEC oil embargo. We are the only industrial nation on Earth without an effective energy plan.

In the last 6 years, our oil imports have doubled. Americans used more gasoline last summer than ever before in history. And this year, we will set another all-time high for gasoline consumption, and all this despite the fact that we now have lighter cars and better gas mileage.

We created with superb congressional work a new Department of Energy, and we've failed to give it the tools that it needs to do the job. For the past

14 months, we've been talking energy policy, and while we've been talking, America has suffered economically. Talk is cheap; energy is not.

We imported \$10 billion more oil last year than we did the year before. Despite the lessons of 1973, we are more dependent on the whims of foreign oil producers today than ever before in our history. The economic and military security of the United States is seriously jeopardized when we rely on foreign sources for almost half of our petroleum needs. The heart of our defense policy is the longstanding mutual commitments between the United States of America and our NATO Allies and Pacific allies. To protect our interests, we need steady and reliable supplies of all vital raw materials.

We have no feasible alternatives to the petroleum reserves of the 13 OPEC nations, nor to the inescapable linkage and interrelationship between international politics and the oil trade. We lose credibility with our allies when our national energy policies do not reflect this reality.

Our influence, our prestige in the global economic community are tarnished, and United States leadership is seriously weakened without a policy to reduce waste and to bring energy costs in line with the cost of replacement.

Each time I talk to my colleagues—Prime Minister Fukuda from Japan, or Chancellor Schmidt from the Federal Republic of Germany, Prime Minister Callaghan from Great Britain, or others, they make this point to me. In their view, a conservation and conversion program, aided by aligning domestic and global prices of crude oil over an orderly period of time, is the most important single step that the United States can take. It is absolutely vital to them.

The energy bill before Congress provides this alignment fairly and effectively, and on a schedule that minimizes economic disruption.

Next month I will travel to Bonn, Germany, for the economic summit meeting. The subject of the meeting is global economic recovery. Each day it is clearer and clearer to me that United States action on an energy policy is absolutely crucial to that goal of global economic recovery. There's an inescapable connection between our energy policy, the domestic economy, and the world economy.

Our \$45 billion oil import bill last year was a major factor in the huge United States current account deficit. And the different growth rates among nations increases this deficit. Other nations are unwilling to stimulate their own economy until they are convinced that we will check the waste of oil in our extremely high and rapidly increasing level of oil imports.

Concern about our deficit, which is growing every year, almost every month, drives down the value of the dollar, which is the basis, as you know, of the world economic or monetary system. The weakness of the dollar adds more inflationary pressure at home and arouses protectionist sentiment abroad, which in turn fuels new inflation and further weakens economic recovery.

In 1976, the current account deficit for our country was \$1½ billion. One year later, in 1977, it was \$20½ billion. More than half of that \$19 billion increase reflects the increase in our oil imports.

Our determination to enact a strong, comprehensive national energy policy reflects our willingness to end this self-indulgence, this waste, once and for all. It's time for us to become responsible caretakers of the bounteous world that God gave us.

Today we have an uncommon opportunity to tackle some fundamental problems which we've had to push aside while tending to more urgent crises like civil rights a few years ago, or Watergate, or the war in Vietnam.

Energy is one of these persistent problems that we now have to deal with. Like inflation, it's not a problem that we created, it's one that we inherited.

As America entered this decade, our per capita energy consumption was already nearly double that of the United Kingdom and West Germany, triple that of France and Japan, more than quadruple that of the rest of the developed world. Each year our appetite for imported oil has grown. We would need a new North Slope or a new North Sea every year or 15 months just to keep up with the present rate of growth in energy consumption. Although we differ on the exact date, there is no doubt that at some point in this century, central global petroleum demand is going to exceed global petroleum supply.

Our strategy for change, controversial, is now being considered by the Congress, is focused and fair. It's based on three elementary and essential principles: first is conservation—stop wasting. The second one is to encourage exploration and production and give incentives to do so. And third is to develop alternatives to fossil fuels.

I want to emphasize just one aspect of conservation that is sometimes overlooked. We waste in this country almost half of the energy we use. Fuel economy must be a primary consideration in the design of our industrial plants, our homes, our vehicles, our splendid array of large and small appliances.

The second element of the energy program provides incentives for new produc-

tion and exploration. The energy legislation will make sure that American oil commands as high a price as any in the world. New natural gas supplies will get generous price increases immediately and full deregulation in 1985.

Now, these rewards, which don't suit everyone—I realize that—are balanced by essential safeguards to protect consumers here in Texas and elsewhere in the country.

Our third and final strategy is speeding the conversion to more abundant existing fuels. This State, Texas, set an example for the Nation with your pioneering 1975 statewide conversion program to coal. Texas will continue to be a major energy State long after you have exhausted the major portion of your petroleum reserves. You have geothermal steam, geopressurized methane sources to tap. You have substantial lignite reserves you're now beginning to use in large quantities. You're the Nation's third largest producers of uranium, and you're working hard to advance the day when such renewable resources as the Sun, wind, and biomass will relieve some of the demand for oil and gas and coal.

These alternative fuels are critical to the continuing economic growth of your State and the Nation, and they are equally vital to our continuing strong national defense.

It's essential that we pass this energy legislation. It's been thoroughly debated. All viewpoints have been considered. Compromises have been made for 14 months. Each day that we continue without a national energy policy further erodes our domestic economy and also our international image.

In fact, and unfortunately, we do have an energy policy now. It's a policy by de-

fault, a mass of confusing and conflicting legislative and regulatory restrictions. It does precisely the opposite of what we want. It encourages consumption and discourages exploration and production. It rewards those who use the most of our least abundant fuels.

It's time to end this folly that we've inherited. If we are to attain the peaceful and prosperous world we seek, we have to meet—and beat—this serious challenge now.

The energy bill buys us critical time that we need to plan for the future. The bill is before the Congress now, as you know. Now is the time for us to act.

Here in Texas and neighboring States—and particularly, I would say, here in Houston—is the center of the United States petroleum industry. I come, as President of the greatest nation in the world, to ask you for help to do what is best for our Nation, what's best for Texas, and what I'm convinced is best for you.

Now, I know that no acts of Congress, no program of our Government, no Executive order of mine as President can by itself achieve these major goals of controlling inflation and the interrelated problem of meeting our future energy needs. It will require a change from our preoccupation with self and a willingness to sacrifice for the common good.

We Democrats have never been timid nor fearful in the face of any challenge to our Nation. We will not betray the trust of leadership which you and I share together. Together we can create an even greater United States of America.

Thank you very much.

NOTE: The President spoke at 10:07 p.m. in the Imperial Ballroom at the Hyatt Regency Hotel. In his opening remarks, he referred to Gov. Dolph Briscoe, Jr., of Texas, Gov. Edwin W. Edwards of Louisiana, Mayor James McConn of Houston, Texas Attorney General John L. Hill, and Lt. Gov. William P. Hobby of Texas.

## Beaumont, Texas

*Remarks at Dedication Ceremonies for the Jack Brooks Federal Building. June 24, 1978*

*Mayor Myers, Senator Lloyd Bentsen, my good friend Congressman Jack Brooks, Congressmen Corman and Charlie Wilson, Mrs. Brooks, Jay Solomon, and distinguished guests and friends:*

The first thing I want to do is to thank all of you and others who live in this district for giving me an enormous victory here when I ran for President. I thank you. You're my friends. I'll never forget it.

Twenty-five years ago, when I was leaving the Navy to come home to Plains, Georgia, to be a farmer, a young freshman Congressman was leaving Beaumont to go to Washington. In that quarter of a century, the Ninth District has garnered more Federal projects than ever before: the Intracoastal Canal, the Nation's first strategic storage facility for oil, a whole host of Federal works projects too numerous to name this morning, research grants for your district colleges and universities, and a wide variety of miscellaneous Federal contracts and awards.

I don't recall a single major Federal program in Plains in the last 25 years. [Laughter] One reason I came here was to get Jack Brooks to help me in the future. If he brings down to Beaumont more than you can handle, I want Plains to be the first spillover point for things that you reject.

I think it's accurate to say that the simultaneous presence of Jack Brooks in Washington and so many Federal projects coming into the Ninth District was not just a coincidence. But I have to point out as well that it takes more than a respected and an influential Member of Congress to bring these kinds of projects to a district. There must be a fertile ground present among the people who live

here, a belief in our Nation, an element of patriotism, a willingness to work with your own government and dedicated employees who, when given an opportunity to do a job, do a good job. And you have demonstrated this in many ways, and that's really the reason that you've been able to work with such a good partnership with Jack Brooks, your Congressman.

As this building suggests, your relationship with the Federal Government is clear and it's constant. Since this building was first erected, I believe 44 years ago, the expansion of Federal services in this area has required an expansion and a modernization of the building itself. In addition to Congressman Brooks' office, it now houses representatives from 10 different major Federal agencies.

I hope that bringing them together under one roof will symbolize the coordinated approach and the better management that we are taking to delivery of Federal services. And I know that the name that we are placing over the door today will represent the commitment to lean, competent, efficient government that Jack Brooks has fought for throughout his career.

The General Accounting Office, not given to compliments—much more inclined toward criticism—has said that this one man has been responsible for saving for the Federal Government billions of dollars—not millions, but billions of dollars—and I want to thank Jack Brooks, as President.

I'm sure that you are thankful to have Jack in Washington, but you're no more thankful than I am to have him there.

When I was first elected President, with your help, one of the things I promised was to reorganize the bureaucracy, to bring some order out of chaos, to institute reforms that would make the delivery of services to you, with your tax money, more efficient.

I was told by many people that there was one man in the Congress with whom I would have to work closely, because he would be the key to improving those Federal Government organizations. It was Jack Brooks. And I asked Jack Brooks to come down to Plains to talk to me about it. He came down—he was the only Congressman who came in that group—to tell me what he thought ought to be done. I told him what I thought ought to be done. We were mostly in agreement, but I have to confess to you that there were some differences. I knew that I was going to be the new President of the United States, and I was sure that in a showdown with just one Congressman, that the President could win the argument.

I hear many of you laughing, because you know already that I'm going to tell you that I was mistaken. *[Laughter]* But I have to say that the changes that Jack Brooks recommended in the reorganization bill that did pass under his leadership were good. I'll just give you one example, if you're interested. When I submit a reorganization plan to the Congress, it automatically goes into effect after a certain period of time, unless the Congress rejects it. Jack Brooks said that in the past about two-thirds of reorganization plans submitted were rejected because they couldn't be changed. And if there was a tiny error in the proposal after the Congress investigated it, there was no way to correct that error, and the whole thing had to be thrown out.

So, he suggested that after it goes to his committee, that if there are modifications, and if I agreed, that they can be made in the committee, and then the Congress can vote to accept or reject.

I'll knock on wood, but so far all the plans that we have submitted have been accepted by the Congress, because of the wisdom of Jack Brooks, to begin with, and because of his leadership qualities af-

ter he gets my plan to improve the Government.

As chairman of the House Government Operations Committee, he's at the center of one of the most important undertakings in our country today. It's his support and his understanding that will enable us to streamline these Federal programs, to cut down on redtape, to restore the emphasis on merit to the civil service.

Last year I set a task force at work, a hundred different people, top qualified people in the civil service itself, to work out ways whereby the civil service could be more effective. They came up with the most sweeping reforms to civil service since it was initiated more than 100 years ago. And in March, I began to send these proposals to the Congress.

It'll make it easier to weed out incompetents or those who don't want to work once they get a job. These proposals will let managers manage. They make it easier to reward excellence and dedicated service, and they would provide a more rapid hearing to workers who do have grievances. All in all, they go a long way to restoring competent, efficient, and responsive government to our country.

A month ago I sent the second and the final part of the civil service reform package, the reorganization plan itself. It went to a very important committee. You can guess whose committee it is. This plan safeguards the rights of Federal employees. It protects employees who blow the whistle and point out defects in our Government. It sets up an office of personnel management to bring to our Government the same kind of modern, up-to-date personnel practices that are followed by our best private corporations. And it provides a fairer and a more efficient way to resolve differences of opinion between employers and those who are employed.

I count very heavily on Jack Brooks to help me in these efforts, and I want to

carry out my campaign promise that we will have a government as good and as competent and as understanding and compassionate as other people who elect Jack Brooks, me, Senator Bentsen, and others to serve you.

We are lightening the burden of Federal regulations on business, on State and local governments, and on ordinary citizens. We've got too much government regulation. It has got to be cut down.

We're beginning to eliminate the worst nitpicking regulations in agencies like the occupational safety and health agency, OSHA. And I can tell you that Ray Marshall and the new administrators of OSHA agree completely. In 1 day last year, 1,100 different regulations were wiped off the books. And the ones that we do have are being written in clear English so a peanut farmer can understand them. And we are now making sure that the person that writes the regulations has to sign them, so we'll know who to go to if they are mistaken or confused or nobody can understand them.

We've opened up—I'll just use one example—the airline industry to deregulation. When we first started doing that, we knew that it would help consumers to have cheaper air fares. But we have now found that not only do we help with greatly reduced air fares, but the airline industry is benefiting as well. We are helping cities and States cut down on paperwork. But the major problem I want to talk to you very briefly about, in closing, in our Nation today is inflation.

All the things that I've described to you to make government better will help to cut down on inflation. We know what caused it originally—the huge cost of the Vietnam war, the large increases in worldwide oil prices, and our huge and growing oil imports. All these things contribute to inflation. And deficit spending

by the Federal Government contributes to it also.

The first thing I mentioned is out of our control. We can't undo the Vietnam war. We can't change worldwide oil prices. But the third one, the huge oil imports, will bring to us a much better control of inflation when we have a national energy policy.

And the last one, Government spending, is something that we must attack right now on many different points. We are simply spending too much money in the Federal Government, more than we take in in taxes. We have got to cut down the Federal budget, and I'm determined to do so.

Now, the budget that we prepared last winter predicted a large deficit. By proposing a lower tax reduction, we now hope to cut that down by \$7 billion, but the deficit is still too high. And even reduction in the deficit that I've outlined is threatened by recent spending moves in the Congress. These proposed increases come in very attractive areas. It's not easy to refuse additional funds for such things as veterans, or those who build roads, water projects, farmers, defense, education, for example. But somebody has to hold the line on spending and I'm willing to do so, even if it means that I have to take the political consequences.

Still, my own efforts will only be a small part of the job. Congress must help, private industry must help, labor must help, and all of you in your daily lives must help. Short-sighted selfishness can lead to a spiral of inflation that nobody will be able to stop. Only self-discipline, some sacrifice in the public interest can slow that spiral.

I call on each of you today, and I call on each Member of Congress to help create a climate of mutual sacrifice that alone can curb inflation.

I know I can count on Jack Brooks, I know I can count on Senator Bentsen, I know I can count on Texas, I know I can count on the American people to control inflation and to make our great Government an even better one.

Thank you very much. God bless all of you.

Where did Ray Starnes go? I want to introduce you all to somebody.

When I was a new graduate of the Naval Academy at Annapolis in 1946, I went to the U.S.S. *Wyoming* as electronics officer. I had a fine young man who worked with me and under me named Starnes. And he was a superb public servant as a young eager petty officer in the Navy. He made petty officer after 6 months, and I helped him a little bit.

I left the *Wyoming* and went to another ship. And I haven't seen Ray Starnes now in 30 years. He's a member of the community here in Beaumont. And for the first time in 30 years I want to shake hands with a young man who meant a lot to me, who's a very close friend of mine. It's an honor for me to meet him.

Thank you very much.

NOTE: The President spoke at 11:36 a.m. at the Jack Brooks Federal Building—U.S. Post Office and Courthouse. In his opening remarks, he referred to Mayor Maurice Myers of Beaumont and General Services Administrator Joel W. Solomon.

## Fort Hood, Texas

*Informal Exchange With Reporters.*  
June 24, 1978

REPORTER. Mr. President, what's the message here today?

THE PRESIDENT. Well, one of the responsibilities that I have, perhaps, potentially the most important, is to be the Commander in Chief of all the Armed



Forces. And it's important for me to know what our military forces can do, to see the efficiency that they can demonstrate when I am present, the planning that they go into to show their capabilities to defend our country when I am coming.

I think it's also important for them to know that I appreciate their ability and for our friends and allies and our potential adversaries to know that I have this intense interest in maintaining the level of training and the capability of which our Armed Forces are obviously capable.

I might say that I thought the exercise this morning was both impressive in its execution and also in its planning. And I'm very proud of what this group has been able to do. This is General Patton's old division, and they showed that they've upheld the standards that he set for them in the last great war.

Q. You know, a lot of people have seen this in Vietnam, and over there it didn't work. Is there a danger that a field exercise might be a little distorted, because it isn't real battlefield conditions?

THE PRESIDENT. Well, you have to plan for all different kinds of terrain. When I was in Panama last weekend, that intense jungle just north of the Panama Canal is where we trained for jungle warfare. And I think that this would be very close to the kind of terrain that you would find in some open areas. And I think the coordination of the operation among the helicopters, the tanks, the personnel carriers, the guided missiles, and other weapons is a very important test, no matter what the terrain might be.

These men who are in this division also go to other places in our country which would be similar to the different kinds of terrain that they might face throughout the world. But I think the most important thing is for them to know that the President is interested in them and appreciates

the high level of training that they've shown and also that I, most of the time confined to my duties in Washington, am able to learn what these men can do, what our equipment can do, as I have already done with the nuclear aircraft carriers, the submarines, the strategic command airplane, and the SAC Base out in Omaha.

I'm very interested in it, and I want the Nation and the world to know about my interest. So, it's a very good exercise for me, I think a good exercise for these men and women, and also a good exercise for our country.

Q. Mr. President, what about the cost? Do you think it's justified?

THE PRESIDENT. Well, I think it's completely justified. These men have maneuvers to perform. They have to stay at a high level of training. Each one of them has to be familiar with the actual firing of live ammunition and operating under those kinds of circumstances, and the fact that I could be here during the time when they have a major maneuver or exercise is a very good conjunction. It's certainly worth the expenditure of funds just for my own education, because I'm faced every day with the requirement to either approve or disapprove the expenditure of funds for these kinds of weapons or others that might replace them.

I need to know the level of operation capability of them. And it gives me a chance also to learn the special attitude of the Secretary of Defense and Secretary of the Army and, also, the generals and others who command these forces. So, I would say it's a very important requirement of my job, a very important requirement of the jobs of the military, and whatever expenditure of funds was involved is well worth it.

NOTE: The exchange began at 3:05 p.m. at Blackwell Mountain, site of the Army's firepower demonstration.

## International Communication Agency

*Nomination of R. Peter Straus To Be An Associate Director. June 26, 1978*

The President today announced the nomination of R. Peter Straus, of Riverdale, N.Y., to be Associate Director for Broadcasting of the International Communication Agency.

Straus, 55, has been Director of the Voice of America since last summer. Before becoming Director of VOA he was president of Straus Communications, Inc. He is a former Assistant Administrator for Africa of the Agency for International Development.

## National Commission on Air Quality

*Appointment of Edwin D. Dodd and Tom McPherson as Members. June 26, 1978*

The President today announced the appointment of two persons as members of the National Commission on Air Quality. They are:

Edwin D. Dodd, of Toledo, Ohio, president and chief executive officer of Owens-Illinois, Inc. Dodd has served on the board of governors of the National Council of Paper Industry for Air and Stream Improvement, and has been a member of the President's National Industrial Pollution Control Council.

Tom McPherson, of Fort Lauderdale, Fla., a Florida State representative and chairman of the house committee on community affairs.

## William M. Ketchum

*Statement on the Death of the Representative From California. June 26, 1978*

With the death of Congressman William Ketchum of California, the Nation has lost a fine public servant who ably served his district in Congress.

Since he was first elected to the Congress in 1972, Representative Ketchum led the important fight for responsible public spending and a balanced Federal budget. His efforts on behalf of the elderly earned the respect not only of the voters of his district but of senior citizens across the Nation.

I extend my own deepest sympathies to his family.

## THE PRESIDENT'S NEWS CONFERENCE OF JUNE 26, 1978

### TAX REDUCTION

**THE PRESIDENT.** At the beginning of this year, I proposed to Congress substantial tax relief for almost every taxpayer in our country. I also asked that some important and long-overdue reforms be made in our unfair and very complicated tax laws.

Last week it became clear that the Congress is seriously considering a tax bill that contains no major reforms at all. That's bad enough, but this new congressional proposal is even worse. It actually attempts to take a step backward through some version of the so-called Steiger capital gains amendment. This proposal would add more than \$2 billion to the Federal budget deficit. Eighty percent of its tax benefits would go to one-

half of 1 percent of the American taxpayers, who make more than \$100,000 a year. Three thousand millionaires would get tax reductions averaging \$214,000. The other 99½ percent of our taxpayers would not do quite so well.

For instance, a middle-income family making between \$20,000 and \$30,000 a year would get a tax reduction from this proposal of less than \$1. And the working man or woman who makes \$20,000 or less a year would get no more than 25 cents.

The American people want some tax relief from the heavy burden of taxation on their shoulders, but neither they nor I will tolerate a plan that provides huge tax windfalls for millionaires and two bits for the average American. That underestimates the intelligence of the American people.

My proposals to reduce the taxes paid by large and small businesses so that they can invest in new investments, new businesses, new equipment, new jobs, is a much more fair and effective approach than providing huge tax giveaways to millionaires. Both businesses and also American working families deserve a real tax cut this year, and our tax code barely needs to be made simpler, fairer, and more effective.

I'm working hard for tax reduction and tax reform, but only Congress can pass laws. I'm still confident that in response to the obvious desires of the American people, the Congress will act responsibly on the tax package I have submitted. The American people expect and deserve no less.

Thank you very much.

Mr. Cormier [Frank Cormier, Associated Press].

## QUESTIONS

### THE MIDDLE EAST

Q. Mr. President, could you give us your current assessment of Middle East peace prospects at this time, when Israel and Egypt are again apparently at an impasse?

THE PRESIDENT. My experience in dealing with the Mideast peace proposals leads me not to be surprised when we have temporary setbacks or rejections from one side or the other.

I thought the Israeli Cabinet response to our two basic questions was very disappointing. And I notice that this weekend the Israeli Cabinet rejected an Egyptian proposal that has not even yet been made. It's not in final form, I understand. It certainly has not been presented to us to present to the Israelis. It's already been rejected.

Our commitment to pursuing a comprehensive and effective peace agreement in the Middle East is constant and very dedicated. We will not back off on this. After we receive the Egyptian proposal when it's put in final form, we will be sure to relay it to the Israelis, as the Egyptians will request, and then both proposals, the Israeli proposal, the Egyptian proposal, will be on the table.

At that time it might be appropriate, if the Israelis and Egyptians agree, for a meeting between their Foreign Ministers, perhaps, and our own Secretary of State. I would hope that at that point we could make real progress toward searching out the common ground on which they might stand and alleviating the differences that still remain. But I can't predict the rate of progress. It obviously will require good faith and some flexibility on both sides.

## U.S.-SOVIET RELATIONS

Q. Mr. President, in the current war of words you've said you are not going to let the Russians push us around, and Mr. Brezhnev says that you're pursuing a dangerous policy by playing the Chinese card.

My question is, are they pushing us around and are you playing the Chinese card?

THE PRESIDENT. Well, we're too strong and powerful and deeply committed a nation to be pushed around. Our economic, military, political strength, the basic principles on which our Nation is founded, are too strongly held and preserved by the American people to permit us to be weak enough to be pushed around.

As I said in Annapolis, and as we've had as a constant policy, we want to be friends with the Soviet Union. We want to have rapid progress made on the SALT negotiations, the comprehensive test ban, increased trade, better communication. Some of the things the Soviets do cause us deep concern. The human rights questions within the Soviet Union in violation of the Helsinki agreement, their intrusion, along with the Cubans, into Africa, these things do cause us some concern and create in the American people some doubt about the Soviets' good and peaceful intentions. But I have a deep belief that the underlying relationship between ourselves and the Soviets is stable and that Mr. Brezhnev, along with myself, wants peace and wants to have better friendship.

We are not trying, nor will we ever try, to play the Soviets against the People's Republic of China, nor vice versa. We have some very important relationships with the Chinese that need to be pursued. There are worldwide common hopes that we share with the Chinese. We have bilateral relations that we want to expand—trade, exchange of science and technol-

ogy, and so forth—and at the same time, we want to have peace with the Chinese, almost a billion people. These are the goals that we have maintained during my own administration, the same identical goals as were evoked clearly by President Nixon and President Ford.

So, we won't let any temporary disharmonies or disputes about transient circumstances delay our pursuit of peace with the Soviet Union, nor our ability nor commitment toward better relationships with the People's Republic of China.

Q. Mr. President, to follow that up, you are consciously not linking the progress in the strategic arms negotiations to Soviet behavior either in Africa or the dissident problem. There is a suggestion made by a member of the National Security Council staff that there should be linkage, however, between trade with the Soviet Union and the transfer of technology to the Soviet Union and their actions throughout the rest of the world.

Do you favor using trade and economic incentives as a means of moderating Soviet behavior?

THE PRESIDENT. I've not heard that proposal that you describe. As you know, the Soviets have arrested an American businessman.<sup>1</sup> We've had a very hard time trying to determine if there is any grounds for his arrest, and the Soviet press, which is a spokesman for the Soviet Government, has already condemned him without a trial or even without thorough investigation. This kind of an episode naturally causes concern among the American business community, who does look upon the Soviet Union, as do I, as a good place for the sale of American manufactured products, American farm and agricultural products, and other things. But we've never tried to threaten

<sup>1</sup> Francis Jay Crawford, an employee of the International Harvester Company, was detained by Soviet authorities for alleged currency violations.

the Soviet Union, we've never held out the prospect of increased or decreased trade if they did or did not do a certain thing that we thought was best.

We try to pursue peace as the overwhelming sense of our goals with the Soviet Union, and I think that's shared in good faith by President Brezhnev.

So, I think the word "linkage" is sometimes inappropriately used. It's obvious that there is a good factor in progress with the Soviet Union if the American people, the Congress, the business community feel that they are acting in good faith toward us, that they have friendly attitudes toward us, they treat our citizens over there, trying to enhance trade, with respect and with fairness. And all of these things are tightly interrelated. But I think the word "linkage" is one that's inappropriately used.

#### TAX REDUCTION LEGISLATION

**Q.** Mr. President, in your opening remarks on the tax legislation and the Steiger amendment, the implication is strongly there, but you stop short of actually saying you would veto legislation with the Steiger amendment. Will you veto such legislation if it comes to your desk?

**THE PRESIDENT.** Well, I said neither the American people nor I will tolerate a plan that does what the Steiger amendment does. I think that's clear enough. I don't see any way that I could accept a major tax proposal of this kind that did cost the Federal Treasury \$2 billion, and increase the budget deficit that much, and channel almost all of the money to the very rich people. So, I don't see any possibility of my approving such a plan.

#### CIVIL RIGHTS PROSECUTIONS

**Q.** Mr. President, your Justice Department has set up a dual prosecution policy in cases of police brutality where the victims' civil rights may have been violated.

But there seems to be some confusion over when the dual prosecution policy should be used. I wonder if you could clarify.

**THE PRESIDENT.** I doubt it, but I'll try. When I came in office and when Griffin Bell became the Attorney General, there was a concern that we shared about the mistreatment of minority citizens in this country—blacks, those who speak Spanish, and others. I believe that at the present time, we are investigating about 192 cases of that sort. Each case has to be assessed on its own merits.

There is a duality in culpability among those who commit some crime. I'm speaking in generalities now. One is the actual criminal case where you punish someone for abusing another person. Sometimes the abuse extends to the death of the victim. Another element of criminality is the violation of the American civil rights act, where a person's rights are deprived, even the loss of life.

If in the judgment of the Attorney General—and he makes the judgment, I don't—the original case is not adequately pursued, nor the punishment, if meted out, adequate for the crime, if there's a gross abuse of that, then the Attorney General reserves the right to enter the case and try the perpetrator of the crime on the basis of a civil rights violation.

This has been historically the case, but we've revived that issue. And without referring to a specific case, this is our policy. As I said, to repeat myself, each case has to be decided on its own merits, though, and the Attorney General makes that ultimate decision.

**Q.** If I could follow up on that for a minute, in the Rodriguez case in Dallas it's been reported that Drew Days at the Justice Department decided not to prosecute that case, and that you talked to some Mexican Americans while you were down in Texas and promised that Attorney General Bell would go ahead and look into it himself personally.

Why was that decision made? Why was it decided that Bell would go ahead and prosecute when Days had decided not to?

THE PRESIDENT. There was an erroneous press report, which sometimes occurs in our Nation, which indicated that Drew Days had made a decision and that he had recommended to Mr. Civiletti, who pursues criminal cases, that this case not be pursued further.

We inquired of Mr. Days about the accuracy of that report. He has not yet made a decision about whether he would recommend any further Justice Department involvement. And I asked the Attorney General, which is appropriate, to look into the case himself. This is a case of high interest to the Spanish-speaking community in the Southwest, and again, his decision would be made on the basis of the merits of the case. But Mr. Days has not made any decision on his own. He has not made any recommendation to Mr. Civiletti, which was erroneously reported by the press.

DAVID G. GARTNER

Q. Mr. President, it's been reported that you've asked David Gartner to resign from the Commodity Futures Trading Commission, and it's been rumored that he has told you that he wouldn't. Are these things true? And if so, what are you going to do about them?

THE PRESIDENT. I might say I don't know Mr. Gartner. He's one of the roughly 700 people that we recommended to the Congress be appointed to positions of importance. In assessing the factors in his case during the last week or so, both I and my staff members, after consultation with the Vice President, who does know Mr. Gartner well, we have decided Mr. Gartner ought to resign.

He has not committed a crime, he has not violated the law, but the image of impropriety, resulting from the acceptance by his children of a substantial gift, leads

me to think that it would be better if he did resign. I understand that Friday, Mr. Gartner called my staff members and said that he did not intend to resign.

So, the description that you made is substantially correct. I do not have authority to remove Mr. Gartner from office once he has been confirmed by the Senate. But I think he should resign. The decision now is up to him.

Q. Mr. President, so there's no further step that you feel you can take at this point?

THE PRESIDENT. No, except to encourage him to reconsider and resign.

Q. Well, sir, it was my impression at your last news conference here that you had already assessed the case, because you seemed at that time to indicate that you saw nothing wrong with the circumstances surrounding all of this. What has caused you to change your mind?

THE PRESIDENT. Well, I have looked into it much more thoroughly than I had before I came to the last press conference. The report I made last time was basically accurate, that he had reported voluntarily the acceptance of the gift to his children, that the Senate Agriculture Committee had been thoroughly conversant with this fact, and that the Senate committee and the Senate itself had confirmed him, that he had not committed any crime. I believe, though, in light of the fact that there is an allegation of impropriety on his part, with which I agree, that he should resign.

#### EUROPEAN TROOP REDUCTIONS

Q. Mr. President, along with the recent tougher rhetoric from Moscow, there's also reportedly been an important concession by the Soviets that the talks over reducing the number of NATO and Warsaw Pact troops faced off in Europe, I wonder, in light of that, what are the prospects now for an agreement of those talks?

THE PRESIDENT. The prospects now are much better than they were a month ago. We, along with our NATO Allies, have been pursuing what we call the mutual and balanced force reductions in the European theater for a number of years in the talks at Vienna. And the Soviets, this past 2 weeks—I think within the last 2 weeks—replied in a very affirmative way. Over the weekend President Brezhnev made a speech, I think at Minsk, where he said that this was a major reply on the part of the Soviet Union. He thought that we should assess it very carefully. So, I don't know what the future results should be.

There is a difference in estimate of the number of Soviet forces in the Warsaw Pact region, Eastern Europe, compared to what we think they have there. We think the Soviets have a superior force in the number of men, the number of tanks, to us. The Soviets' estimates are considerably lower.

We are negotiating now with the Soviets to see where the disparity lies. And what we want is to have a balanced reduction, so that at the end of this reduction the two forces will be roughly equivalent to each other and that they will be at a lower level than before. So, I would say it's a step in the right direction, and we will pursue it.

#### CRITICISM OF FOREIGN POLICY

Q. Mr. President, last week in Texas, in the course of defending Mr. Brzezinski, you criticized the Soviet Union and Cuba for attacking him, and you also criticized special interest groups, which presumably are domestic organizations. Many people think that you had reference to the Jewish community, which has been critical of Mr. Brzezinski.

Could you explain, sir—there are two parts to this question—who or what special interest groups do you mean, and

what limits, if any, do you think there ought to be on the criticism of officials like Mr. Brzezinski involved in the making of foreign policy?

THE PRESIDENT. Well, it's open season on me or officials in the Government, as you well know, and I think that's part of the American system, which I don't deplore. I didn't have any particular special interest group in mind. I said "special interest groups" and then following that specifically referred to the Cubans, the Soviets, and their apologists. And that is an adequate example, I think, of special interest groups to whom I refer.

The point is that I make the ultimate decisions in foreign policy. There is a minimum of disagreement between the National Security Council and the State Department. I do get advice from various sources, both in and out of Government. And obviously, in a complicated issue, I get recommendations that sometimes are at variance with one another. But when I make the final decision, then I want to be and am the one responsible. I make the judgment and neither the Secretary of State nor Dr. Brzezinski makes those judgments.

I think it's easy for someone who disagrees with a decision that I make to single out Dr. Brzezinski as a target, insinuating that I'm either ineffective or incompetent or ignorant, that I don't actually make the decisions, but that my subordinates make them for me. And it gives an easy target for them without attacking the President of the United States.

But I've noticed that President Brezhnev, Mr. Castro, and others always single out Dr. Brzezinski as their target. It's not fair to him. I think it overly exaggerates any possible disagreement that the State Department and the National Security Council have, even in the formative stages of a decision. And it takes away from the fact that in this country I'm the Presi-

dent, I make the decisions, and I want to be responsible for those decisions once they are made.

#### U.S.-SOVIET RELATIONS

Q. Mr. President, what precisely is our position with relation to the Soviets? It isn't always easy for us to discern the precise position. Is it hard-nosed or is it conciliatory or is it somewhere in between? I wonder whether you could refine your answer on this a bit.

THE PRESIDENT. I don't know any clearer way to express it than I did in the speech I made in Annapolis a few weeks ago, which I very carefully wrote myself, and a speech that I went over with my advisers, almost every word in it.

We want to be friends with the Soviets. We want to improve our relationship with the Soviets. We want to make progress, and I might say we are making progress on a SALT agreement, on a comprehensive test ban agreement, the prohibition against attacks on one another's satellites, the reduction in the level of forces in Eastern and Western Europe, which I've already discussed, and so forth. These discussions, these negotiations, are going along very well. We're making good progress. And as I said in my speech in Annapolis, I believe that Mr. Brezhnev wants the same thing I do. He wants peace between our country and theirs.

We do, however, stay in a state of competition. This is inevitable. I think it's going to be that way 15, 20 years in the future. We want to have accommodation when we can mutually benefit from that accommodation. We are willing to meet the Soviets in competition of a peaceful nature.

When the Soviets commit some act with which we disagree, I have to make a judgment whether to be quiet about it or to speak out openly and acquaint the

American people with the facts so that Americans can understand the interrelationship between us and the Soviet Union.

As I said, I think in an interview with a Dallas newspaper a couple of weeks ago, though, our relationship with the Soviet Union overall is stable. It's not in danger. There is no present threat to peace.

The negotiations are proceeding in good faith. There's no cause for alarm. And I think this is pretty much a normal circumstance. I would hope that when we conclude the SALT and the comprehensive test ban negotiations, hopefully without too much delay, that Mr. Brezhnev and I might meet personally and to ratify the agreement that's basically been hammered out.

We are much closer to an agreement than we were a few weeks ago. We've made good progress.

Q. No chance of a meeting before then?

THE PRESIDENT. I have extended an almost standing invitation to Mr. Brezhnev to come over and meet with me. My belief, however, is that he will not meet until the prospect for an agreement is quite imminent. But I welcome this. And I feel quite at ease about our relationship with the Soviet Union, although there are public debates, public disputes, sometimes public disagreements.

#### ANGOLA

Q. Secretary of State Vance has said that we want to cooperate with the Neto government in Angola, and we just sent a diplomat over to Angola to do just that, talk to them. But a few weeks earlier, the CIA Director had been up on Capitol Hill trying to get approval from the Senate for a plan to back-door weapons to the rebels in Angola. What is the con-



sistency in these two positions, and would you have approved that plan?

THE PRESIDENT. There was never any plan put forward to send back-door weapons to the rebels, because that would have been in violation of the American law. And I don't believe any responsible person in my administration would have violated the so-called Clark amendment, which prevents us from either direct or indirect involvement in the internal affairs in Angola.

Our relationship with the Angolan officials has been a fairly consistent one. Ever since I've been in office, we have had negotiations or consultations directly with Angolan officials. This is important, first of all, because we want to have peace in southern Africa. And Mr. Neto, who is the leader of the Angolan Government, has some influence on other African leaders, particularly the leaders of SWAPO, where we want an agreement in Namibia. Also, we have wanted to hold the Angolan leaders responsible for any future possible invasions into the Shaba Province in Zaire.

I also would like to see the Cubans begin to remove their troops from Angola. And a few weeks ago in New York, their Foreign Minister, the Angolan Foreign Minister, met with our Secretary of State and suggested additional consultations, which is a continuation of what we've done all the time.

We have no desire at this point, no plans to normalize our relationship with Angola. But we have never contemplated getting militarily involved in Angola, directly nor indirectly, and this present visit by Mr. McHenry<sup>2</sup> to Angola is part of a series of consultations with them.

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<sup>2</sup> Donald F. McHenry, Deputy U.S. Representative in the United Nations Security Council.

Q. Mr. President, if I may follow that up. I'm not quite sure what you are saying when you say there was no plan presented to the Senate. The CIA Director, Mr. Turner, did present a document, a written plan, to Senator Clark to try to see if Senator Clark thought that this would be acceptable, and would not violate the Clark amendment. The plan called for sending arms through a third country to the rebel forces in Angola.

Did you know about that meeting? Did you know about that document? And since others around the administration did, would you have approved it?

THE PRESIDENT. I didn't have any idea that the CIA Director had even talked to Senator Clark about it. My impression of it from the news reports and from subsequent information was that he went to consult with Senator Clark to see within the bounds of the law what involvement would be possible in Angola. But I had no knowledge of that, nor have I ever intended to send weapons to Angola, either directly nor indirectly.

#### TAX REDUCTION LEGISLATION

Q. Mr. President, to get back to the opening statement on capital gains tax policy, as you know, Mr. President, the House Ways and Means Committee is considering the so-called compromise proposal advanced by Congressman Jones of Oklahoma, which would set capital gains, I believe, at a 35-percent maximum rate and also eliminate the so-called alternative tax.

My question is, is the Jones compromise equally unacceptable as the Steiger proposal to you?

THE PRESIDENT. When I referred to the Steiger amendment or proposal, I was also referring to the Jones proposal, which is a version of the Steiger amendment.

Both these proposals apply basically to the desire of some Members of the Congress to remove part of the income of very wealthy taxpayers from the minimum tax.

A few years ago, the Congress very wisely said that if there were loopholes or provisions in the tax law that let a wealthy person avoid paying any tax, they would at least have to pay some tax under the new minimum tax laws. And the Steiger amendment and the Jones amendment, part of it, refers to that basic principle. I disagree with the Steiger and Jones proposal.

Ms. Woodruff [Judy Woodruff, NBC News].

Q. If these proposals, if these plans, the Steiger bill and the Jones bill, are as onerous as you suggest, then why have so many Members of Congress, including so many Democrats, come around in support of them?

THE PRESIDENT. Well, we don't have any clear indication of that. They do have enough support to cause me concern. My guess is that when the Congress becomes acquainted with which taxpayers in our country benefit—that is, the very wealthy taxpayers—and how they give no relief to the average and middle-income families, my guess is that the Congress will reject this proposal.

Q. Mr. President, are you satisfied that your tax cut and your tax reform plan were sufficiently fair for middle-income taxpayers?

THE PRESIDENT. Yes, I think they were eminently fair, and my preference, of course, is that my original proposal would be adopted. My guess is that the Congress will not adopt my tax reform proposals in their entirety.

#### WHITE HOUSE VISITORS

Q. Mr. President, sir, you've extended White House hospitality to a variety of people, including jazz musicians and prizefighters. Could you tell us why you

haven't invited Aleksandr Solzhenitsyn or, in another category, Howard Jarvis or, in another category, your fellow Southern Baptist Convention speaker, Anita Bryant, or do you approve of—disapprove of the positions of these people?

THE PRESIDENT. Well, I don't have any inclination now to say whether I approve or disapprove of what they do. I'm sure they've all done things of which I do approve and they probably have all done things of which I disapprove. But there are—

Q. You wouldn't subscribe to original sin, then. [Laughter]

THE PRESIDENT. There are 220 million people in America, and there's a limit to how many we can invite. [Laughter] But we'll continue our invitations in the future and maybe someday get around to those whom you offer as a possibility.

Q. Anita Bryant said to the Southern Baptist Convention that Midge Costanza came down and intruded herself into the Dade County ordinance struggle.

Was that at your direction or was that Midge's kind of spontaneity?

THE PRESIDENT. I didn't know that she went to Dade County. If she did, it was not at my direction.

#### NATIONAL HEALTH CARE

Q. Mr. President, given the seriousness of the inflation problem, do you still plan to offer a comprehensive national health program, and if so, when? What's your current thinking on that problem?

THE PRESIDENT. Within the next few days I will direct the Secretary of HEW to comply with principles that I outlined to him in the preparation of a national health proposal. The implementation of it, and the passage of it by Congress before it's implemented, will have to accommodate budget constraints and the attitude of both the Congress and the American people.

I do favor a comprehensive health proposal. Now at this time, the high inflation rate and the very tight budget constraints would not permit immediate implementation of it. It might take many years before the final plan is completely put into effect.

After I give these instructions to Mr. Califano, then he will be consulting with Members of the Congress who are particularly interested and will be consulting with Governors and interest groups like the hospital administrators, doctors, and so forth, to work out not only the specifics of the proposal but also the rough time schedule that we would follow in their implementation.

MR. CORMIER. Thank you, Mr. President.

THE PRESIDENT. Thank you, Mr. Cormier.

NOTE: President Carter's thirty-fourth news conference began at 4 p.m. in Room 450 of the Old Executive Office Building. It was broadcast live on radio and television.

## Interagency Committee on Emergency Medical Services

*Appointment of Thomas R. Jones and Sylvia H. Micik as Members. June 27, 1978*

The President today announced the appointment of two persons as members of the Interagency Committee on Emergency Medical Services. They are:

THOMAS R. JONES, of Peoria, Ill., project director for the St. Francis Hospital-Medical Center and director of the Remote Coronary Care Monitoring Project and the Tri-County Emergency Service Center Dispatch System;

SYLVIA H. MICIK, of La Jolla, Calif., medical director of the Orange County Emergency Medical Services Program, director of the San Diego Poison Information Center, and a consultant on emergency medical services.

## United States Delegation's Visit to the People's Republic of China

*White House Statement on the Mission To Discuss Science and Technology Matters. June 27, 1978*

Dr. Frank Press, the adviser on science and technology to the President and the Director of the White House Office of Science and Technology Policy, will lead a 14-member delegation of U.S. Government science policy makers and administrators to China from July 6-10.

Dr. Press is undertaking this mission at the request of the President. The trip was first discussed with the Chinese during Dr. Brzezinski's May 20-23 trip to Peking.

While in the People's Republic, the delegation will be hosted by Peking's pertinent science and technology organizations.

Dr. Press and his group will be in Peking for 4 days of discussions with Chinese counterparts.

Dr. Press's visit is in keeping with the Shanghai Communiqué of February 1972, in which the United States and the People's Republic agreed that "It is desirable to broaden the understanding between the two peoples . . . in such fields as science and technology." Both sides undertook to facilitate the further development of such contacts and exchanges. It is our hope that Dr. Press's delegation will lead to a broader program with China in science and technology.

A delegation list follows:

FRANK PRESS, Director, Office of Science and Technology Policy, and science and technology adviser to the President;

ROBERT A. FROSCH, Administrator, National Aeronautics and Space Administration;

RICHARD C. ATKINSON, Director, National Science Foundation;

M. RUPERT CUTLER, Assistant Secretary for Conservation, Research and Education, Department of Agriculture;

JORDAN A. BARUCH, Assistant Secretary for Science and Technology, Department of Commerce;

JOHN M. DEUTCH, Director of Energy Research, Department of Energy;

DONALD S. FREDRICKSON, Director, National Institutes of Health, Department of Health, Education, and Welfare;

WILLIAM H. MENARD, Director, U.S. Geological Survey, Department of the Interior;

ROGER W. SULLIVAN, Deputy Assistant Secretary for East Asian and Pacific Affairs, Department of State;

BENJAMIN HUBERMAN, Assistant Director for National Security, International and Space Affairs, Office of Science and Technology Policy, and staff member, National Security Council;

ANNE KEATLEY, senior staff member, Office of Science and Technology Policy;

MICHEL OKSENBERG, staff member, National Security Council;

SCOTT HALFORD, country officer for East Asia/People's Republic of China and Mongolia, Department of State;

FLO L. BROUSSARD, secretary to Dr. Press.

plomacy and to the Commerce Department.

From 1960 to 1965, she was economic officer in New Delhi, and from 1966 to 1969, she was supervisory economic officer at the State Department. From 1969 to 1971, she was detailed to the Office of Economic Opportunity.

In 1971 and 1972, Olmsted was Deputy Director for Personnel Management Services at the State Department, and from 1972 to 1974, she was Deputy Director of Personnel for Policy, Classification and Evaluation. In 1974 and 1975, she was Consul General in Port Moresby. Since 1975 she has been Ambassador to Papua New Guinea.

## Task Force on Women Business Owners

*Remarks on Receiving the Report of the Task Force. June 28, 1978*

During one speech while I was campaigning for President, I said that when Amy grows up, I'd like for her to have just as clear a vision of being a medical doctor as a nurse, or a lawyer as a secretary, or to be President as to be a President's wife. I know when I was a child, I was an entrepreneur at a very early age, selling boiled peanuts when I was 5 years old and later graduating to hamburgers and homemade ice cream. [Laughter] Amy has already started in the lemonade business, as you may have noticed during the halcyon days when I was a nominee and before I had any responsibilities as President.

And I think that last year, the testimony that Juanita Kreps gave to the Congress about the problems with women being entrepreneurs and business executives inspired me to call on this Task Force to meet to investigate the present

## United States Ambassador to the Solomon Islands

*Nomination of Ambassador Mary S. Olmsted. June 27, 1978*

The President today announced that he will nominate Mary S. Olmsted, currently U.S. Ambassador to Papua New Guinea, to serve concurrently as Ambassador Extraordinary and Plenipotentiary of the United States to the Solomon Islands.

Olmsted, of Signal Mountain, Tenn., was born September 28, 1919, in Duluth, Minn. She received a B.A. from Holyoke College in 1941 and an M.A. from Columbia University in 1945.

Olmsted joined the Foreign Service in 1945 and served in Montreal, Amsterdam, Reykjavik, and Vienna. She was detailed to the Fletcher School of Law and Di-

problems and to give me advice on what I might do as President heading the executive branch of Government and having influence in the business community and, perhaps, some limited influence in the higher education institutions to help with the problem.

There is a definite problem. Although women enjoy a major role in the ownership of stock in businesses, sometimes earned by themselves, sometimes inherited after the death of a husband, there's an alarmingly small portion of women ownership of active businesses in the financial structure of our country. Less than one-half of 1 percent—as a matter of fact, I think three-tenths of 1 percent of gross business receipts in this country are derived from businesses owned by women.

This is an alarmingly small percentage. And it certainly is not related to either the need or the inclination or ambition of women who want to be at the management level in the free enterprise system of our country.

Women have the same motivations as men for wanting to own and control and to manage the business life of our country. They desire, obviously, to earn a living, to make money, to take what talents or ability they have and to let that talent be expressed in productive contribution to society and to exercise management, judgments, and to shape the communities within which they live, to set an example for others to enter the competitive world that makes our country a great one.

Women also have the same problems that men do in becoming entrepreneurs, particularly in a small business environment, inadequate capital, the need to build a reputation that would encourage lending institutions to invest in that person. These opportunities and problems

are shared. But women suffer from discrimination.

I don't think there's any doubt that a Federal agency or a private lending institution, an institution of higher education has an almost innate feeling that a business investment would best be made through a man than a woman. It's not fair. It's not deserved. There's no reason for it. But it exists.

I've looked over the outline of the recommendations of this Task Force. And I think there have been some very clear delineations of the reasons for this problem, and I have a responsibility along with all of you to correct those problems.

Almost every agency of the Federal Government, from the Internal Revenue Service, the Commerce Department, the Agriculture Department, obviously the Treasury Department, the Small Business Administration, can take administrative actions without the requirement of congressional action or law change to help resolve some of the problems that have been identified.

There's a greatly expanding women's work force; almost half the women in our country now have jobs outside their own homes. But in even middle- and upper-level management positions, only 1 woman in 20 enjoys this opportunity or privilege or responsibility, less than third the rate of that enjoyed by men.

Well, I'll do all I can to help alleviate this problem and to remove the discriminatory aspects of our society both in government and outside of government.

And to close, I might say that I have this motivation not just to please women or to honor women but because of the best interests of our country, because when we lose a tremendous reservoir of talent, innovation, sensitivity, competence that we are presently losing, it hurts our country. And I want to be sure that we don't suffer any further from this

deprivation, not just of women but of the American system.

So, I considered myself a partner with the women of America when I asked the Task Force to perform this work. I hope that you will continue to look upon me as a partner as we carry out the recommendations that have been made.

At the next Cabinet meeting, this will be on my agenda. I'll go down the list of recommendations with the Cabinet members, the heads of the major agencies, and perhaps we'll have an immediate indication to you of tangible results. And I would like to be sure that this report does not gather dust on the shelves of those involved, but becomes a working document that would yield benefits not only to you but to Amy and others in whom I have confidence for the future.

Thank you very much.

**NOTE:** The President spoke at 11:45 a.m. in the Rose Garden at the White House. Prior to his remarks, the President received the report from Charlotte A. Taylor, Executive Director of the Task Force.

The 221-page report is entitled "The Bottom Line: (Un)equal Enterprise in America—Report of the President's Interagency Task Force on Women Business Owners."

## National Commission on the International Year of the Child, 1979

*Appointment of 23 Members. June 28, 1978*

The President today announced 23 persons whom he will appoint as members of the National Commission on the International Year of the Child, 1979. They are:

MARJORIE C. BENTON, of Evanston, Ill., active in civic affairs and currently serving as U.S. Alternate Representative to the 32nd Session of the United Nations General Assembly;

UNITA BLACKWELL, mayor of Mayersville, Miss.;

EDDIE LEE BRANDON, of Aurora, Colo., chairman of the board of directors of Child Opportunity Programs;

JOSE A. CARDENAS, of San Antonio, Tex., executive director of the Intercultural Development Research Association;

BILL COSBY, the comedian and actor, active in children's causes;

MARIAN WRIGHT EDELMAN, founder of the Washington Research Project, which became the Children's Defense Fund in 1973;

REV. AUSTIN FORD, director of a downtown community center, Emmaus House, in Atlanta;

MRS. ORVILLE L. (JANE) FREEMAN, a member of the national board of directors of the Girl Scouts of America;

FREDERICK C. GREEN, professor of child health and development at George Washington University School of Medicine and associate director of Children's Hospital National Medical Center;

ROBERT L. GREEN, dean of the College of Urban Development at Michigan State University;

CARROLL M. HUTTON, of Highland, Mich., director of the United Auto Workers Education Department;

BOK-LIM C. KIM, of Champaign, Ill., associate professor of social work at the University of Illinois;

GORDON J. KLOPF, of New York City, provost and dean of the faculties at Bank Street College of Education;

SHERILL KOSKI, of Iron, Minn., national youth chairman for the March of Dimes and member of the Task Force for Maternal and Infant Health Care for Minorities and the Poor;

REV. EILEEN W. LINDNER, of Alpine, N.J., staff associate for youth concerns in the National Council of Churches' Division of Church and Society;

STEVEN A. MINTER, of Shaker Heights, Ohio, program officer for the Cleveland Foundation, handling grants in health and social services;

JUDITH D. MOYERS, of Garden City, N.Y., a member of the board of trustees of the State University of New York and a founding director of Educational Products Information Exchange Institute;

MARIE M. OSER, of Houston, Tex., founder and executive director of Texas Child Care '76, Inc.;

LOLA REDFORD, of Provo, Utah, president of the board of directors of Consumer Action Now;

WINONA E. SAMPLE, of Santa Clara, Calif., chief of the Indian health section for the California Department of Health;

NANCY SPEARS, of Auburn, Ala., a former kindergarten teacher and active in educational and community development activities in Auburn;

MARLO THOMAS, the actress, also honorary chairwoman of the Children's Television Project of the Educational Foundation of American Women in Radio and Television;

CAROL H. TICE, of Ann Arbor, Mich., project director of Teaching-Learning Communities for the Elementary and Secondary Education Association.

## International Year of the Child, 1979

*Remarks on U.S. Participation in the Program. June 28, 1978*

THE PRESIDENT. This afternoon, as far as the United States of America is concerned, we're beginning to emphasize and hopefully even to dramatize our own commitment to making the International Year of the Child a success.

In December of 1976, the United Nations passed a resolution setting aside a special period for a worldwide assessment of the problems, the needs, the opportunities of children. There are 1½ billion children in the world. And although our own country has been blessed with, I'd say, at least adequate material needs to make our lives certainly more pleasant and more prosperous than most, even in the United States we have serious problems among our children.

We had, last year, a million children whose rights were abused, who suffered physical abuse from their parents. And I don't think there's an adequate understanding yet in our societal structure of this devastating demonstration of care-

lessness or cruelty, quite often perpetrated against a young person who has very little voice to express pain or suffering or displeasure.

In our rich country, we have 10 million children who have never had any medical care at all, and about half the children in this country have never seen a dentist.

I believe that most Americans are unaware of these few statistics. And I would hope that next year, as the world focuses its attention upon children, that all of us could become much more knowledgeable about the need, much more willing to assume responsibility for correcting and meeting those needs, and that we might in a positive way assess the unique opportunity to broaden the horizon of growth and enjoyment and the productivity of our children's lives, both now and in the future.

I've asked Jean Young, Mrs. Andrew Young, to be the chairman of the American committee for the International Year of the Child. She's in a special place, associated intimately with the families of representatives of almost every nation on Earth. She's a mother herself. Her husband and she have been involved in the correction of a very serious deprivation of rights because of racial discrimination. And I think she has both the knowledge, the influence, the prestige, the courage, and the commitment to lead our own effort here in the United States well and effectively.

I'll be working closely with this group and hope to add the prestige and the influence of the Presidency itself to making this a successful effort.

We will be eager to help others, children in nations not quite so blessed with the material benefits of life in this next year. This effort will encompass almost every aspect of humanitarian service. Working through UNICEF and other

United Nations agencies, through the leaders of other nations, I think we can enhance the opportunity for better clothing, housing, food, medical care, education, and the protection against suffering on the part of children in all nations.

So, I'm very eager to be a part of it. It's a sobering prospect to know that perhaps once in a lifetime we have an opportunity to focus attention on such a neglected group in the world's population.

And I for one, along with Jean Young, the Commission members, and, I hope, you and all the people in our Nation, will help the United States to set an example of a country whose actions can be equal to the bigness of our hearts and whose minds will be attuned to the analysis of problems and the resolution or solution of them.

I want to thank all of you for coming here this afternoon to begin preparations to make 1979 a successful period in the study and enhancement of the lives of children everywhere.

Thank you very much.

MRS. YOUNG. *Mr. President, distinguished guests and visitors:*

We are gathered here representing many facets of America. Our common bond is our love and concern for children. During International Year of the Child, we want to affirm children. The needs that you have so vividly portrayed are diverse and intense within the world arena. Within our own Nation, the needs are complex and difficult. But if we affirm children, we are on the road to effecting change.

Children are resilient, tenacious, and adaptable. Many survive in the most deplorable conditions. They are also vulnerable, defenseless, and powerless. With a little help from us, they can develop into the beautiful, loving, confident, contributing human beings they were meant to be.

Mr. President, the commitment and sensitivity that you have expressed can help this to happen, along, of course, with the cooperation of all the concerned organizations, the governmental agencies, and the dedicated private citizens throughout this Nation.

Certainly, if we mustered the mighty forces of this great Nation to protect the tiny snail darter, certainly our court systems can protect our most valuable natural resource, our children. As the entire world is focusing on children, we call on all the voices of concern in every community throughout this Nation to examine itself, determine the needs of its children, and seek remedies through all resources available—whether private, corporate, or governmental.

As we affirm children, enjoy them, listen to voices of concern, seek solutions, we must not forget the most important voice in all, the voice of our children themselves. Regina and Scott, please come forward and share with us a couple of the thousands of letters expressing the concerns of the children of this country.

Mr. President, would you come forward?

SCOTT HIGELL. "Dear Sir, I am just saying one thing. I wish that all the children in the whole world would have a good parent and a nice home and have peace. Sincerely yours, Chucky D. Perry."

REGINA HIGGINS. "Dear Sir, our class is talking a lot about the world and peace. We want to know how to get it. Your friend, Roxanna Floris."

MRS. YOUNG. Thank you very much.

THE PRESIDENT. I want all of you to go to work, too. We can't do it just for the Commission. So, we're all in the same boat. We're all partners in a very worthy concern—[inaudible]—for our country and for a better life throughout the world.



Senator Sparkman just came in. I wanted to recognize him. Senator, would you stand up? Virginia—thank you very much—and Congresswoman Virginia Smith. We are very eager and pleased to have the Members of Congress participate thoroughly, because there could not possibly be a more representative group. And their voice can be heard almost immediately over the country collectively, and they can also give us what these children have just given us, a very good feedback from the children around the Nation. We're not just teachers but we are also students.

Both these letters, I notice, express the children's hope for peace, which is obviously the prime hope of all of us.

Thank you very much.

NOTE: The President spoke at 1:35 p.m. in the Rose Garden at the White House.

## National Advisory Committee on Juvenile Justice and Delinquency Prevention

*Appointment of Seven Members.  
June 28, 1978*

The President today announced the appointment of seven persons as members of the National Advisory Committee on Juvenile Justice and Delinquency Prevention. They are:

- C. JOSEPH ANDERSON, a Terre Haute, Ind., attorney and former judge of the Vigo County (Ind.) circuit court. He is a former high school teacher, deputy prosecutor, and State legislator;
- KENNETH MCCLINTOCK-HERNANDEZ, of San Juan, P.R., a law student at Tulane Law School, who has been active in civic and political activities relating to youth in Puerto Rico;
- RON LEFLORE, a centerfielder for the Detroit Tigers and author of the autobiography "Breakout";

D. LAVERNE PIERCE, of Salem, Oreg., a consultant to the Marion-Polk-Yamhill Council on Alcoholism, where she is designer of a community alcohol education plan. She is former executive director of a free medical clinic and is the chairperson of the Oregon Juvenile Justice Advisory Committee;

KENNETH F. SCHOEN, commissioner of the Minnesota State Department of Corrections and a former parole agent and psychiatric social worker;

DAVID TULL, of the Bronx, New York City, a student at State University College at Buffalo, a former youth gang leader, and president of the Third World, a coalition of gangs working to improve living conditions;

ALICE UDALL, a juvenile court referee in Pima County, Ariz., and member of the Arizona Juvenile Justice and Delinquency Prevention Advisory Committee.

## National Security Information

*Statement on Issuing Executive Order 12065.  
June 29, 1978*

I am pleased to sign the Executive order revamping the Government's security classification system.

The public is entitled to know as much as possible about the Government's activities. Classification should be used only to protect legitimate national security secrets and never to cover up mistakes or improper activities.

While some material must be classified, the Government classifies too much information, classifies it too highly and for too long. These practices violate the public's right to know, impose unnecessary costs, and weaken protection for truly sensitive information by undermining respect for all classification.

The new order will increase openness in Government by limiting classification and accelerating declassification. At the same time, it will improve protection for information that needs to be kept secret.

The standard for classification has been tightened. No document is to be classified unless its release reasonably could be expected to cause identifiable damage to the national security. Insignificant damage is not a basis for classification. In addition, the number of agencies and officials with classification authority is being reduced. Delegation of such authority shall be held to a minimum.

All documents should be declassified as early as national security permits. Under the new order, most documents will be declassified after no more than 6 years. Only agency heads and officials with "Top Secret" classification authority may classify for a longer period and only by indicating why classification will remain necessary despite the passage of time. With a few exceptions, the documents given extended classification will be declassified after no more than 20 years. The millions of documents classified under prior orders that are over 20 years old will be reviewed and—in almost all cases—released as quickly as possible.

I expect all officials to follow these procedures and the others set out in the new order. But experience has taught us that strong oversight is needed, both to make the classification system as open as possible and to safeguard properly classified documents. Each agency that handles classified information should take care to ensure that its personnel understand and follow the new procedures.

In addition, I have created an Information Security Oversight Office to provide overall supervision. This Office will have authority to review agencies' procedures and files. It can overrule their regulations and their decisions on classification of individual documents, subject to appeal to the National Security Council. The Office will report regularly to the NSC and to

me on compliance with the order. The Office is a key element to the new classification system, and it will have my strong support.

In a break from precedent, this order was drafted in consultation with several congressional committees and private groups. I particularly wish to thank Senators James Abourezk, Joseph Biden, Edmund Muskie, and Representatives Edward Boland and Richardson Preyer for their valuable assistance.

## National Security Information

*Executive Order 12065. June 28, 1978*

By the authority vested in me as President by the Constitution and laws of the United States of America, in order to balance the public's interest in access to Government information with the need to protect certain national security information from disclosure, it is hereby ordered as follows:

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## SECTION 1. ORIGINAL CLASSIFICATION.

1-1. *Classification Designation.*

1-101. Except as provided in the Atomic Energy Act of 1954, as amended, this Order provides the only basis for classifying information. Information may be classified in one of the three designations listed below. If there is reasonable doubt which designation is appropriate, or whether the information should be classified at all, the less restrictive designation should be used, or the information should not be classified.

1-102. "Top Secret" shall be applied only to information, the unauthorized disclosure of which reasonably could be expected to cause exceptionally grave damage to the national security.

1-103. "Secret" shall be applied only to information, the unauthorized disclo-

sure of which reasonably could be expected to cause serious damage to the national security.

1-104. "Confidential" shall be applied to information, the unauthorized disclosure of which reasonably could be expected to cause identifiable damage to the national security.

1-2. *Classification Authority.*

1-201. *Top Secret.* Authority for original classification of information as Top Secret may be exercised only by the President, by such officials as the President may designate by publication in the FEDERAL REGISTER, by the agency heads listed below, and by officials to whom such authority is delegated in accordance with Section 1-204:

The Secretary of State  
 The Secretary of the Treasury  
 The Secretary of Defense  
 The Secretary of the Army  
 The Secretary of the Navy  
 The Secretary of the Air Force  
 The Attorney General  
 The Secretary of Energy  
 The Chairman, Nuclear Regulatory Commission  
 The Director, Arms Control and Disarmament Agency  
 The Director of Central Intelligence  
 The Administrator, National Aeronautics and Space Administration  
 The Administrator of General Services (delegable only to the Director, Federal Preparedness Agency and to the Director, Information Security Oversight Office)

1-202. *Secret.* Authority for original classification of information as Secret may be exercised only by such officials as the President may designate by publication in the FEDERAL REGISTER, by the agency heads listed below, by officials who have Top Secret classification authority, and by officials to whom such

authority is delegated in accordance with Section 1-204:

- The Secretary of Commerce
- The Secretary of Transportation
- The Administrator, Agency for International Development
- The Director, International Communication Agency

1-203. *Confidential*. Authority for original classification of information as Confidential may be exercised only by such officials as the President may designate by publication in the FEDERAL REGISTER, by the agency heads listed below, by officials who have Top Secret or Secret classification authority, and by officials to whom such authority is delegated in accordance with Section 1-204:

- The President and Chairman, Export-Import Bank of the United States
- The President and Chief Executive Officer, Overseas Private Investment Corporation

1-204. *Limitations on Delegation of Classification Authority*.

(a) Authority for original classification of information as Top Secret may be delegated only to principal subordinate officials who have a frequent need to exercise such authority as determined by the President or by agency heads listed in Section 1-201.

(b) Authority for original classification of information as Secret may be delegated only to subordinate officials who have a frequent need to exercise such authority as determined by the President, by agency heads listed in Sections 1-201 and 1-202, and by officials with Top Secret classification authority.

(c) Authority for original classification of information as Confidential may be delegated only to subordinate officials who have a frequent need to exercise such authority as determined by the President, by agency heads listed in Sections 1-201,

1-202, and 1-203, and by officials with Top Secret classification authority.

(d) Delegated original classification authority may not be redelegated.

(e) Each delegation of original classification authority shall be in writing by name or title of position held.

(f) Delegations of original classification authority shall be held to an absolute minimum. Periodic reviews of such delegations shall be made to ensure that the officials so designated have demonstrated a continuing need to exercise such authority.

1-205. *Exceptional Cases*. When an employee or contractor of an agency that does not have original classification authority originates information believed to require classification, the information shall be protected in the manner prescribed by this Order and implementing directives. The information shall be transmitted promptly under appropriate safeguards to the agency which has appropriate subject matter interest and classification authority. That agency shall decide within 30 days whether to classify that information. If it is not clear which agency should get the information, it shall be sent to the Director of the Information Security Oversight Office established in Section 5-2 for a determination.

1-3. *Classification Requirements*.

1-301. Information may not be considered for classification unless it concerns:

- (a) military plans, weapons, or operations;
- (b) foreign government information;
- (c) intelligence activities, sources or methods;
- (d) foreign relations or foreign activities of the United States;
- (e) scientific, technological, or economic matters relating to the national security;

(f) United States Government programs for safeguarding nuclear materials or facilities; or

(g) other categories of information which are related to national security and which require protection against unauthorized disclosure as determined by the President, by a person designated by the President pursuant to Section 1-201, or by an agency head.

1-302. Even though information is determined to concern one or more of the criteria in Section 1-301, it may not be classified unless an original classification authority also determines that its unauthorized disclosure reasonably could be expected to cause at least identifiable damage to the national security.

1-303. Unauthorized disclosure of foreign government information or the identity of a confidential foreign source is presumed to cause at least identifiable damage to the national security.

1-304. Each determination under the criterion of Section 1-301(g) shall be reported promptly to the Director of the Information Security Oversight Office.

#### *1-4. Duration of Classification.*

1-401. Except as permitted in Section 1-402, at the time of the original classification each original classification authority shall set a date or event for automatic declassification no more than six years later.

1-402. Only officials with Top Secret classification authority and agency heads listed in Section 1-2 may classify information for more than six years from the date of the original classification. This authority shall be used sparingly. In such cases, a declassification date or event, or a date for review, shall be set. This date or event shall be as early as national security permits and shall be no more than twenty years after original classification, except that for foreign government infor-

mation the date or event may be up to thirty years after original classification.

#### *1-5. Identification and Markings.*

1-501. At the time of original classification, the following shall be shown on the face of paper copies of all classified documents:

(a) the identity of the original classification authority;

(b) the office of origin;

(c) the date or event for declassification or review; and

(d) one of the three classification designations defined in Section 1-1.

1-502. Documents classified for more than six years shall also be marked with the identity of the official who authorized the prolonged classification. Such documents shall be annotated with the reason the classification is expected to remain necessary, under the requirements of Section 1-3, despite the passage of time. The reason for the prolonged classification may be stated by reference to criteria set forth in agency implementing regulations. These criteria shall explain in narrative form the reason the information needs to be protected beyond six years. If the individual who signs or otherwise authenticates a document also is authorized to classify it, no further annotation of identity is required.

1-503. Only the designations prescribed by this Order may be used to identify classified information. Markings such as "For Official Use Only" and "Limited Official Use" may not be used for that purpose. Terms such as "Conference" or "Agency" may not be used in conjunction with the classification designations prescribed by this Order; e.g., "Agency Confidential" or "Conference Confidential."

1-504. In order to facilitate excerpting and other uses, each classified document shall, by marking or other means,

indicate clearly which portions are classified, with the applicable classification designation, and which portions are not classified. The Director of the Information Security Oversight Office may, for good cause, grant and revoke waivers of this requirement for specified classes of documents or information.

1-505. Foreign government information shall either retain its original classification designation or be assigned a United States classification designation that shall ensure a degree of protection equivalent to that required by the entity that furnished the information.

1-506. Classified documents that contain or reveal information that is subject to special dissemination and reproduction limitations authorized by this Order shall be marked clearly so as to place the user on notice of the restrictions.

#### 1-6. *Prohibitions.*

1-601. Classification may not be used to conceal violations of law, inefficiency, or administrative error, to prevent embarrassment to a person, organization or agency, or to restrain competition.

1-602. Basic scientific research information not clearly related to the national security may not be classified.

1-603. A product of non-government research and development that does not incorporate or reveal classified information to which the producer or developer was given prior access may not be classified under this Order until and unless the government acquires a proprietary interest in the product. This Order does not affect the provisions of the Patent Secrecy Act of 1952 (35 U.S.C. 181-188).

1-604. References to classified documents that do not disclose classified information may not be classified or used as a basis for classification.

1-605. Classification may not be used to limit dissemination of information that

is not classifiable under the provisions of this Order or to prevent or delay the public release of such information.

1-606. No document originated on or after the effective date of this Order may be classified after an agency has received a request for the document under the Freedom of Information Act or the Mandatory Review provisions of this Order (Section 3-5), unless such classification is consistent with this Order and is authorized by the agency head or deputy agency head. Documents originated before the effective date of this Order and subject to such a request may not be classified unless such classification is consistent with this Order and is authorized by the senior official designated to oversee the agency information security program or by an official with Top Secret classification authority. Classification authority under this provision shall be exercised personally, on a document-by-document basis.

1-607. Classification may not be restored to documents already declassified and released to the public under this Order or prior Orders.

## SECTION 2. DERIVATIVE CLASSIFICATION.

### 2-1. *Use of Derivative Classification.*

2-101. Original classification authority shall not be delegated to persons who only reproduce, extract, or summarize classified information, or who only apply classification markings derived from source material or as directed by a classification guide.

2-102. Persons who apply such derivative classification markings shall:

(a) respect original classification decisions;

(b) verify the information's current level of classification so far as practicable before applying the markings; and

(c) carry forward to any newly created documents the assigned dates or

events for declassification or review and any additional authorized markings, in accordance with Sections 2-2 and 2-301 below. A single marking may be used for documents based on multiple sources.

## 2-2. *Classification Guides.*

2-201. Classification guides used to direct derivative classification shall specifically identify the information to be classified. Each classification guide shall specifically indicate how the designations, time limits, markings, and other requirements of this Order are to be applied to the information.

2-202. Each such guide shall be approved personally and in writing by an agency head listed in Section 1-2 or by an official with Top Secret classification authority. Such approval constitutes an original classification decision.

## 2-3. *New Material.*

2-301. New material that derives its classification from information classified on or after the effective date of this Order shall be marked with the declassification date or event, or the date for review, assigned to the source information.

2-302. New material that derives its classification from information classified under prior Orders shall be treated as follows:

(a) If the source material bears a declassification date or event twenty years or less from the date of origin, that date or event shall be carried forward on the new material.

(b) If the source material bears no declassification date or event or is marked for declassification beyond twenty years, the new material shall be marked with a date for review for declassification at twenty years from the date of original classification of the source material.

(c) If the source material is foreign government information bearing no date

or event for declassification or is marked for declassification beyond thirty years, the new material shall be marked for review for declassification at thirty years from the date of original classification of the source material.

## SECTION 3. DECLASSIFICATION AND DOWNGRADING.

### 3-1. *Declassification Authority.*

3-101. The authority to declassify or downgrade information classified under this or prior Orders shall be exercised only as specified in Section 3-1.

3-102. Classified information may be declassified or downgraded by the official who authorized the original classification if that official is still serving in the same position, by a successor, or by a supervisory official of either.

3-103. Agency heads named in Section 1-2 shall designate additional officials at the lowest practicable echelons to exercise declassification and downgrading authority.

3-104. If the Director of the Information Security Oversight Office determines that information is classified in violation of this Order, the Director may require the information to be declassified by the agency that originated the classification. Any such decision by the Director may be appealed to the National Security Council. The information shall remain classified until the appeal is decided or until one year from the date of the Director's decision, whichever occurs first.

3-105. The provisions of this Order relating to declassification shall also apply to agencies which, under the terms of this Order, do not have original classification authority but which had such authority under prior Orders.

### 3-2. *Transferred Information.*

3-201. For classified information transferred in conjunction with a trans-

fer of functions—not merely for storage purposes—the receiving agency shall be deemed to be the originating agency for all purposes under this Order.

3-202. For classified information not transferred in accordance with Section 3-201, but originated in an agency which has ceased to exist, each agency in possession shall be deemed to be the originating agency for all purposes under this Order. Such information may be declassified or downgraded by the agency in possession after consulting with any other agency having an interest in the subject matter.

3-203. Classified information transferred to the General Services Administration for accession into the Archives of the United States shall be declassified or downgraded by the Archivist of the United States in accordance with this Order, the directives of the Information Security Oversight Office, and the agency guidelines.

3-204. After the termination of a Presidential administration, the Archivist of the United States shall review and declassify or downgrade all information classified by the President, the White House Staff, committees or commissions appointed by the President, or others acting on the President's behalf. Such declassification shall only be undertaken in accordance with the provisions of Section 3-504.

### 3-3. *Declassification Policy.*

3-301. Declassification of classified information shall be given emphasis comparable to that accorded classification. Information classified pursuant to this and prior Orders shall be declassified as early as national security considerations permit. Decisions concerning declassification shall be based on the loss of the information's sensitivity with the passage of

time or on the occurrence of a declassification event.

3-302. When information is reviewed for declassification pursuant to this Order or the Freedom of Information Act, it shall be declassified unless the declassification authority established pursuant to Section 3-1 determines that the information continues to meet the classification requirements prescribed in Section 1-3 despite the passage of time.

3-303. It is presumed that information which continues to meet the classification requirements in Section 1-3 requires continued protection. In some cases, however, the need to protect such information may be outweighed by the public interest in disclosure of the information, and in these cases the information should be declassified. When such questions arise, they shall be referred to the agency head, a senior agency official with responsibility for processing Freedom of Information Act requests or Mandatory Review requests under this Order, an official with Top Secret classification authority, or the Archivist of the United States in the case of material covered in Section 3-503. That official will determine whether the public interest in disclosure outweighs the damage to national security that might reasonably be expected from disclosure.

### 3-4. *Systematic Review for Declassification.*

3-401. Classified information constituting permanently valuable records of the Government, as defined by 44 U.S.C. 2103, and information in the possession and control of the Administrator of General Services, pursuant to 44 U.S.C. 2107 or 2107 note, shall be reviewed for declassification as it becomes twenty years old. Agency heads listed in Section 1-2 and officials designated by the President pursuant to Section 1-201 of this Order



may extend classification beyond twenty years, but only in accordance with Sections 3-3 and 3-402. This authority may not be delegated. When classification is extended beyond twenty years, a date no more than ten years later shall be set for declassification or for the next review. That date shall be marked on the document. Subsequent reviews for declassification shall be set at no more than ten year intervals. The Director of the Information Security Oversight Office may extend the period between subsequent reviews for specific categories of documents or information.

3-402. Within 180 days after the effective date of this Order, the agency heads listed in Section 1-2 and the heads of agencies which had original classification authority under prior orders shall, after consultation with the Archivist of the United States and review by the Information Security Oversight Office, issue and maintain guidelines for systematic review covering twenty-year old classified information under their jurisdiction. These guidelines shall state specific, limited categories of information which, because of their national security sensitivity, should not be declassified automatically but should be reviewed item-by-item to determine whether continued protection beyond twenty years is needed. These guidelines shall be authorized for use by the Archivist of the United States and may, upon approval of the issuing authority, be used by any agency having custody of the information. All information not identified in these guidelines as requiring review and for which a prior automatic declassification date has not been established shall be declassified automatically at the end of twenty years from the date of original classification.

3-403. Notwithstanding Sections 3-401 and 3-402, the Secretary of Defense

may establish special procedures for systematic review and declassification of classified cryptologic information, and the Director of Central Intelligence may establish special procedures for systematic review and declassification of classified information concerning the identities of clandestine human agents. These procedures shall be consistent, so far as practicable, with the objectives of Sections 3-401 and 3-402. Prior to implementation, they shall be reviewed and approved by the Director of the Information Security Oversight Office and, with respect to matters pertaining to intelligence sources and methods, by the Director of Central Intelligence. Disapproval of procedures by the Director of the Information Security Oversight Office may be appealed to the National Security Council. In such cases, the procedures shall not be implemented until the appeal is decided.

3-404. Foreign government information shall be exempt from automatic declassification and twenty year systematic review. Unless declassified earlier, such information shall be reviewed for declassification thirty years from its date of origin. Such review shall be in accordance with the provisions of Section 3-3 and with guidelines developed by agency heads in consultation with the Archivist of the United States and, where appropriate, with the foreign government or international organization concerned. These guidelines shall be authorized for use by the Archivist of the United States and may, upon approval of the issuing authority, be used by any agency having custody of the information.

3-405. Transition to systematic review at twenty years shall be implemented as rapidly as practicable and shall be completed no more than ten years from the effective date of this Order.

### 3-5. *Mandatory Review for Declassification.*

3-501. Agencies shall establish a mandatory review procedure to handle requests by a member of the public, by a government employee, or by an agency, to declassify and release information. This procedure shall apply to information classified under this Order or prior Orders. Except as provided in Section 3-503, upon such a request the information shall be reviewed for possible declassification, provided the request reasonably describes the information. Requests for declassification under this provision shall be acted upon within 60 days. After review, the information or any reasonably segregable portion thereof that no longer requires protection under this Order shall be declassified and released unless withholding is otherwise warranted under applicable law.

3-502. Requests for declassification which are submitted under the provisions of the Freedom of Information Act shall be processed in accordance with the provisions of that Act.

3-503. Information less than ten years old which was originated by the President, by the White House Staff, or by committees or commissions appointed by the President, or by others acting on behalf of the President, including such information in the possession and control of the Administrator of General Services pursuant to 44 U.S.C. 2107 or 2107 note, is exempted from the provisions of Section 3-501. Such information over ten years old shall be subject to mandatory review for declassification. Requests for mandatory review shall be processed in accordance with procedures developed by the Archivist of the United States. These procedures shall provide for consultation with agencies having primary subject matter interest. Any decision by the Ar-

chivist may be appealed to the Director of the Information Security Oversight Office. Agencies with primary subject matter interest shall be notified promptly of the Director's decision on such appeals and may further appeal to the National Security Council through the process set forth in Section 3-104.

3-504. Requests for declassification of classified documents originated by an agency but in the possession and control of the Administrator of General Services, pursuant to 44 U.S.C. 2107 or 2107 note, shall be referred by the Archivist to the agency of origin for processing in accordance with Section 3-501 and for direct response to the requestor. The Archivist shall inform requestors of such referrals.

3-505. No agency in possession of a classified document may, in response to a request for the document made under the Freedom of Information Act or this Order's Mandatory Review provision, refuse to confirm the existence or non-existence of the document, unless the fact of its existence or non-existence would itself be classifiable under this Order.

### 3-6. *Downgrading.*

3-601. Classified information that is marked for automatic downgrading is downgraded accordingly without notification to holders.

3-602. Classified information that is not marked for automatic downgrading may be assigned a lower classification designation by the originator or by other authorized officials when such downgrading is appropriate. Notice of downgrading shall be provided to holders of the information to the extent practicable.

## SECTION 4. SAFEGUARDING.

### 4-1. *General Restrictions on Access.*

4-101. No person may be given access to classified information unless that per-

son has been determined to be trustworthy and unless access is necessary for the performance of official duties.

4-102. All classified information shall be marked conspicuously to put users on notice of its current classification status and, if appropriate, to show any special distribution or reproduction restrictions authorized by this Order.

4-103. Controls shall be established by each agency to ensure that classified information is used, processed, stored, reproduced, and transmitted only under conditions that will provide adequate protection and prevent access by unauthorized persons.

4-104. Classified information no longer needed in current working files or for reference or record purposes shall be processed for appropriate disposition in accordance with the provisions of Chapters 21 and 33 of Title 44 of the United States Code, which governs disposition of Federal records.

4-105. Classified information disseminated outside the Executive branch shall be given protection equivalent to that afforded within the Executive branch.

#### *4-2. Special Access Programs.*

4-201. Agency heads listed in Section 1-201 may create special access programs to control access, distribution, and protection of particularly sensitive information classified pursuant to this Order or prior Orders. Such programs may be created or continued only by written direction and only by those agency heads and, for matters pertaining to intelligence sources and methods, by the Director of Central Intelligence. Classified information in such programs shall be declassified according to the provisions of Section 3.

4-202. Special access programs may be created or continued only on a specific showing that:

(a) normal management and safeguarding procedures are not sufficient to limit need-to-know or access;

(b) the number of persons who will need access will be reasonably small and commensurate with the objective of providing extra protection for the information involved; and

(c) the special access controls balance the need to protect the information against the full spectrum of needs to use the information.

4-203. All special access programs shall be reviewed regularly and, except those required by treaty or international agreement, shall terminate automatically every five years unless renewed in accordance with the procedures in Section 4-2.

4-204. Within 180 days after the effective date of this Order, agency heads shall review all existing special access programs under their jurisdiction and continue them only in accordance with the procedures in Section 4-2. Each of those agency heads shall also establish and maintain a system of accounting for special access programs. The Director of the Information Security Oversight Office shall have non-delegable access to all such accountings.

#### *4-3. Access by Historical Researchers and Former Presidential Appointees.*

4-301. The requirement in Section 4-101 that access to classified information may be granted only as is necessary for the performance of official duties may be waived as provided in Section 4-302 for persons who:

(a) are engaged in historical research projects, or

(b) previously have occupied policy-making positions to which they were appointed by the President.

4-302. Waivers under Section 4-301 may be granted only if the agency with jurisdiction over the information:

(a) makes a written determination that access is consistent with the interests of national security;

(b) takes appropriate steps to ensure that access is limited to specific categories of information over which that agency has classification jurisdiction;

(c) limits the access granted to former Presidential appointees to items that the person originated, reviewed, signed or received while serving as a Presidential appointee.

#### 4-4. *Reproduction Controls.*

4-401. Top Secret documents may not be reproduced without the consent of the originating agency unless otherwise marked by the originating office.

4-402. Reproduction of Secret and Confidential documents may be restricted by the originating agency.

4-403. Reproduced copies of classified documents are subject to the same accountability and controls as the original documents.

4-404. Records shall be maintained by all agencies that reproduce paper copies of classified documents to show the number and distribution of reproduced copies of all Top Secret documents, of all documents covered by special access programs distributed outside the originating agency, and of all Secret and all Confidential documents which are marked with special dissemination and reproduction limitations in accordance with Section 1-506.

4-405. Sections 4-401 and 4-402 shall not restrict the production of documents for the purpose of facilitating review for declassification. However, such reproduced documents that remain classified after review must be destroyed after they are used.

## SECTION 5. IMPLEMENTATION AND REVIEW.

### 5-1. *Oversight.*

5-101. The National Security Council may review all matters with respect to the implementation of this Order and shall provide overall policy direction for the information security program.

5-102. The Administrator of General Services shall be responsible for implementing and monitoring the program established pursuant to this Order. This responsibility shall be delegated to an Information Security Oversight Office.

### 5-2. *Information Security Oversight Office.*

5-201. The Information Security Oversight Office shall have a full-time Director appointed by the Administrator of General Services subject to approval by the President. The Administrator also shall have authority to appoint a staff for the Office.

5-202. The Director shall:

(a) oversee agency actions to ensure compliance with this Order and implementing directives;

(b) consider and take action on complaints and suggestions from persons within or outside the Government with respect to the administration of the information security program, including appeals from decisions on declassification requests pursuant to Section 3-503;

(c) exercise the authority to declassify information provided by Sections 3-104 and 3-503;

(d) develop, in consultation with the agencies, and promulgate, subject to the approval of the National Security Council, directives for the implementation of this Order which shall be binding on the agencies;

(e) report annually to the President through the Administrator of General

Services and the National Security Council on the implementation of this Order;

(f) review all agency implementing regulations and agency guidelines for systematic declassification review. The Director shall require any regulation or guideline to be changed if it is not consistent with this Order or implementing directives. Any such decision by the Director may be appealed to the National Security Council. The agency regulation or guideline shall remain in effect until the appeal is decided or until one year from the date of the Director's decision, whichever occurs first.

(g) exercise case-by-case classification authority in accordance with Section 1-205 and review requests for original classification authority from agencies or officials not granted original classification authority under Section 1-2 of this Order; and

(h) have the authority to conduct on-site reviews of the information security program of each agency that handles classified information and to require of each agency such reports, information, and other cooperation as necessary to fulfill his responsibilities. If such reports, inspection, or access to specific categories of classified information would pose an exceptional national security risk, the affected agency head may deny access. The Director may appeal denials to the National Security Council. The denial of access shall remain in effect until the appeal is decided or until one year from the date of the denial, whichever occurs first.

*5-3. Interagency Information Security Committee.*

5-301. There is established an Interagency Information Security Committee which shall be chaired by the Director and shall be comprised of representatives of the Secretaries of State, Defense, Treasury, and Energy, the Attorney General,

the Director of Central Intelligence, the National Security Council, the Domestic Policy Staff, and the Archivist of the United States.

5-302. Representatives of other agencies may be invited to meet with the Committee on matters of particular interest to those agencies.

5-303. The Committee shall meet at the call of the Chairman or at the request of a member agency and shall advise the Chairman on implementation of this order.

*5-4. General Responsibilities.*

5-401. A copy of any information security regulation and a copy of any guideline for systematic declassification review which has been adopted pursuant to this Order or implementing directives, shall be submitted to the Information Security Oversight Office. To the extent practicable, such regulations and guidelines should be unclassified.

5-402. Unclassified regulations that establish agency information security policy and unclassified guidelines for systematic declassification review shall be published in the *FEDERAL REGISTER*.

5-403. Agencies with original classification authority shall promulgate guides for security classification that will facilitate the identification and uniform classification of information requiring protection under the provisions of this Order.

5-404. Agencies which originate or handle classified information shall:

(a) designate a senior agency official to conduct an active oversight program to ensure effective implementation of this Order;

(b) designate a senior agency official to chair an agency committee with authority to act on all suggestions and complaints with respect to the agency's administration of the information security program;

(c) establish a process to decide appeals from denials of declassification requests submitted pursuant to Section 3-5;

(d) establish a program to familiarize agency and other personnel who have access to classified information with the provisions of this Order and implementing directives. This program shall impress upon agency personnel their responsibility to exercise vigilance in complying with this Order. The program shall encourage agency personnel to challenge, through Mandatory Review and other appropriate procedures, those classification decisions they believe to be improper;

(e) promulgate guidelines for systematic review in accordance with Section 3-402;

(f) establish procedures to prevent unnecessary access to classified information, including procedures which require that a demonstrable need for access to classified information is established before initiating administrative clearance procedures, and which ensures that the number of people granted access to classified information is reduced to and maintained at the minimum number that is consistent with operational requirements and needs; and

(g) ensure that practices for safeguarding information are systematically reviewed and that those which are duplicative or unnecessary are eliminated.

5-405. Agencies shall submit to the Information Security Oversight Office such information or reports as the Director of the Office may find necessary to carry out the Office's responsibilities.

#### 5-5. *Administrative Sanctions.*

5-501. If the Information Security Oversight Office finds that a violation of this Order or any implementing directives may have occurred, it shall make a report

to the head of the agency concerned so that corrective steps may be taken.

5-502. Officers and employees of the United States Government shall be subject to appropriate administrative sanctions if they:

(a) knowingly and willfully classify or continue the classification of information in violation of this Order or any implementing directives; or

(b) knowingly, willfully and without authorization disclose information properly classified under this Order or prior Orders or compromise properly classified information through negligence; or

(c) knowingly and willfully violate any other provision of this Order or implementing directive.

5-503. Sanctions may include reprimand, suspension without pay, removal, termination of classification authority, or other sanction in accordance with applicable law and agency regulations.

5-504. Agency heads shall ensure that appropriate and prompt corrective action is taken whenever a violation under Section 5-502 occurs. The Director of the Information Security Oversight Office shall be informed when such violations occur.

5-505. Agency heads shall report to the Attorney General evidence reflected in classified information of possible violations of Federal criminal law by an agency employee and of possible violations by any other person of those Federal criminal laws specified in guidelines adopted by the Attorney General.

## SECTION 6. GENERAL PROVISIONS.

### 6-1. *Definitions.*

6-101. "Agency" has the meaning defined in 5 U.S.C. 552(e).

6-102. "Classified information" means information or material, herein collectively termed information, that is owned

by, produced for or by, or under the control of, the United States Government, and that has been determined pursuant to this Order or prior Orders to require protection against unauthorized disclosure, and that is so designated.

6-103. "Foreign government information" means information that has been provided to the United States in confidence by, or produced by the United States pursuant to a written joint arrangement requiring confidentiality with, a foreign government or international organization of governments.

6-104. "National security" means the national defense and foreign relations of the United States.

6-105. "Declassification event" means an event which would eliminate the need for continued classification.

## **6-2. General.**

6-201. Nothing in this Order shall supersede any requirement made by or under the Atomic Energy Act of 1954, as amended. "Restricted Data" and information designated as "Formerly Restricted Data" shall be handled, protected, classified, downgraded, and declassified in conformity with the provisions of the Atomic Energy Act of 1954, as amended, and regulations issued pursuant thereto.

6-202. The Attorney General, upon request by the head of an agency, his duly designated representative, or the Director of the Information Security Oversight Office, shall personally or through authorized representatives of the Department of Justice render an interpretation of this Order with respect to any question arising in the course of its administration.

6-203. Executive Order No. 11652 of March 8, 1972, as amended by Executive Order No. 11714 of April 24, 1973, and as further amended by Executive Order No. 11862 of June 11, 1975, and the Na-

tional Security Council Directive of May 17, 1972 (3 CFR 1085 (1971-75 Comp.)) are revoked.

6-204. This Order shall become effective on December 1, 1978, except that the functions of the Information Security Oversight Office specified in Sections 5-202(d) and 5-202(f) shall be effective immediately and shall be performed in the interim by the Interagency Classification Review Committee established pursuant to Executive Order No. 11652.

**JIMMY CARTER**

The White House,  
June 28, 1978.

[Filed with the Office of the Federal Register,  
4:18 p.m., June 29, 1978]

NOTE: The text of the Executive order was released on June 29.

## **National Security Information**

***Order Designating Certain Officials To Classify Information "Top Secret."***  
**June 28, 1978**

Pursuant to the provisions of Section 1-201 of Executive Order 12065 of June 28, 1978, entitled "National Security Information", I hereby designate the following officials within the Executive Office of the President to originally classify information as "Top Secret".

The Vice President

The Assistant to the President for National Security Affairs

The Director, Office of Management and Budget

The Director, Office of Science and Technology Policy

The Special Representative for Trade Negotiations

The Chairman, Intelligence Oversight Board

Pursuant to the provisions of Section 1-202 of said Order, I designate the Chairman of the Council of Economic Advisers and the President's Personal Representative for Micronesian Status Negotiations to originally classify information as "Secret".

Any delegation of this authority shall be in accordance with Section 1-204 of the Order.

This Order shall be published in the **FEDERAL REGISTER**.

**JIMMY CARTER**

The White House,  
June 28, 1978.

[Filed with the Office of the Federal Register,  
4:19 p.m., June 29, 1978]

**NOTE:** The text of the order was released on June 29.

## Consumer Product Safety Commission

***Designation of Susan B. King as Chairman.***  
***June 29, 1978***

The President today announced that he will designate Susan Bennett King as Chairman of the Consumer Product Safety Commission. In announcing the designation, the President emphasized that he personally made the decision to support the 3-year reauthorization of the agency and that he backs the OMB budget recommendation for FY 1979.

King, 38, of Washington, D.C., was nominated to be a member of the Commission last January. She has also served as special assistant to the Chairman of the Federal Election Commission, as vice president of the Center for Public Financing of Elections, and as Washington director of the National Committee for an Effective Congress.

## Student Loan Marketing Association

***Appointment of Five Members of the Board of Directors.*** June 29, 1978

The President today announced the appointment of five persons as members of the Board of Directors of the Student Loan Marketing Association. They are:

**BRENDA L. CATTERTON**, of Arnold, Md., director of program development for the National Student Educational Fund;  
**E. T. DUNLAP**, chancellor of the Oklahoma State Regents for Higher Education;  
**HERMAN E. GALLEGOS**, president of the Human Resources Corporation in San Francisco, a management consulting firm;  
**GREGORY SCOTT NICHOLS**, a political science student at Iowa State University;  
**LOIS D. RICE**, of Washington, D.C., vice president of the College Entrance Examination Board.

The Student Loan Marketing Association was established by Congress in 1972. There are 21 members on the Board of Directors, and its purpose is to determine general policies to govern the operation of the Association in the buying, selling, and warehousing of guaranteed student loans.

## New York City Financing Legislation

***Statement on Senate Action Approving Guarantee Legislation.*** June 29, 1978

Today's action by the Senate represents an historic point in New York's path to economic recovery and financing self-sufficiency.

Earlier this year, the prevailing view was that the long-term guarantee legislation proposed by the administration could never be enacted. The Senate's action today reflects its awareness of the progress the city has made, as well as its recogni-



tion that the city's financing problems require a permanent solution that can restore New York to financing self-sufficiency.

The administration remains committed to working in conference to modify certain provisions in the Senate version which we regard as excessively restrictive.

## Inspection of Foreign Assistance Programs

*Executive Order 12066. June 29, 1978*

By the authority vested in me as President of the United States of America by Section 124 of the International Development and Food Assistance Act of 1977 (Public Law 95-88, 95 Stat. 541) and Section 301 of Title 3 of the United States Code, and in order to assist the Secretary of State in carrying out his responsibilities under Section 622(c) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2382(c)), hereafter referred to as the Act, it is hereby ordered as follows:

### 1-1. *Assignment of Duties and Responsibilities.*

1-101. I hereby direct the Secretary of State to assign to the Inspector General, Foreign Service, all duties and responsibilities vested in the Inspector General, Foreign Assistance by Section 624(d) of the Act (22 U.S.C. 2384(d)).

1-102. Having determined that all of the authorities vested in the Inspector General, Foreign Assistance, by Section 624(d) of the Act are necessary for the Inspector General, Foreign Service, to carry out the duties and responsibilities assigned to him pursuant to this Order, I hereby authorize the Inspector General, Foreign Service, to exercise all such authorities subject to the provisions of Section 1-2 of this Order.

### 1-2. *Performance of Duties and Responsibilities.*

1-201. In carrying out his duties and responsibilities and in exercising his authorities pursuant to this Executive Order, the Inspector General, Foreign Service, shall not duplicate the scope of the audit, investigation and inspection authorities of the other agencies, including those of the Inspectors General of the armed services, and shall concentrate upon matters that have substantial and direct impact upon the responsibilities of the Secretary of State under Section 622(c) of the Act.

1-202. The authority described in Section 624(d) (6) of the Act shall be exercised by the Inspector General, Foreign Service, only with the specific consent of the Secretary of State and in accordance with regulations prescribed by the Secretary of State which, whenever practical, afford the head of any agency whose programs are subject to audit, review or inspection pursuant to such Section a reasonable opportunity to take corrective action before any suspension takes effect.

### 1-3. *Administrative Matters.*

1-301. The Secretary of State shall provide for the appropriate transfer of offices, entities, property, and records of the Office of the Inspector General, Foreign Assistance to the Office of the Inspector General, Foreign Service.

1-302. This Executive Order is effective July 1, 1978.

JIMMY CARTER

The White House,  
June 29, 1978.

[Filed with the Office of the Federal Register,  
4:22 p.m., June 30, 1978]

NOTE: The text of the Executive order was released on June 30.

## National YMCA Youth Governors Conference

*Remarks on Greeting Participants in the Program. June 30, 1978*

THE PRESIDENT. Good morning, everybody. I'm very grateful to have you come here to meet with me. When I was in Georgia as Governor, this was one of the exciting things about my life, one of the more pleasant things that I had to do with government. I know that you've enjoyed your visit here to Washington, which is probably your first official visit to our Capital, and this is also my first official visit to the Capital. *[Laughter]* And we've got another thing in common in the fact that we all either are Governors or have been Governors.

You've had an almost unique opportunity to see the inner workings of our Government in a concentrated way—brief, but concentrated. I know you've met with David Rubenstein and Jim Fallows on my staff. And I hope that was productive for you, to explain what did occur in the White House, at least from their point of view.

And you've had a chance to meet with Members of Congress, to see that branch of Government. You were here when an historic decision was made by the Supreme Court.

One of the things that I would like to mention specifically as a problem of mine is the historical, constitutional delineation among the different branches of Government, and the fact that that distinction is being clouded considerably in recent years, in particular, in recent months. The Executive has to have the right or the prerogative or the authority to execute, to carry out laws of Congress and to do it efficiently and economically and effectively. And more and more, the hands of the executive branch are tied by intru-

sions from other branches of Government. We have this as a constant problem in the Cabinet.

This is something with which you can help us. I think that in the past, the decisions made by the Youth Governors and your other State officials in the YMCA-Reader's Digest program have been very good influences on State legislatures. I noticed in preparing for this brief visit with you that more than 400 bills that have been introduced by Youth Governors and their cabinet have later been adopted by State legislatures.

Quite often, you have an innovative attitude and a perspective that might lead the way for the regular assistant Governors and State legislatures to carry out. And I think here you might inquire into some of the problems that I face as a President, and through your own initiative decide what ought to be done and keep the momentum going toward resolution of problems that you detect while you're here in Washington.

We're trying to evolve a national energy policy. We've not been successful so far. But the Congress is making some very slow, tedious, but I think steady, progress. We are trying to restrain the threat of world destruction through nuclear explosives with the SALT agreement, a comprehensive test ban agreement. The Congress passed a very good nonproliferation law since I've been in office to try to hold down the spread of atomic weaponry around the world.

We are also trying to deal with some of our social programs. This time last year, the most pressing problem for me was employment. We've had notable success in that. Now, correlated with it, intimately bound to it is the problem of inflation. We are trying to hold down inflationary pressures, and there I think you can help again.

Almost every pressure that I feel on me as President that leads to later inflation comes from a very fine group of people—those who want to build weapons, those who want to build highways, farmers, educators, veterans, and others—all have demands upon the Federal Government that are legitimate. But when you add them all together, it creates an almost impossible financial circumstance, and the budget deficits increase because very fine people press for special attention to their problem, which is very costly.

The last thing I'd like to say to you is that I consider you to be partners of mine, not only as American citizens—which is part of our democratic form of government—but as recognized leaders already at a very young age. And I hope you won't just rest on your laurels. You not only have shown leadership capabilities—you wouldn't be elected—you've not only shown the ability to fight a difficult battle—because every one of you won election as governor in spite of overwhelming odds, apparently at the beginning—but you've shown some political prowess and some knowledge of our country.

I think that you ought to use this early entry into politics in a way that will benefit our whole country and that you will continue to show your interest in your actions through your college years and that you will later come into government service itself, if that's part of your continuing inclination.

I'm grateful to you, honored to have you here. I think this is the most governors I've ever had at once. [*Laughter*]

If you don't mind, after we get through, if you would really expedite it and not pause for conversations, I'd like to stand down in front and let you come by and get an individual photograph with each one of you rather than just a group photograph.

TERRY HOFFMAN. Mr. President, on behalf of the 17th National YMCA Youth Governors Conference, we'd like to show you our appreciation for taking time out of your busy schedule to come talk to us this morning.

First, I'd like to offer you this Youth Governors Honor Award given to each of our outstanding speakers, a membership in the National Society of YMCA Youth Governors, and this plaque which is a charter given to the National Capital YMCA, the only YMCA ever to receive a charter from Congress, and it is signed by Abe Lincoln.

THE PRESIDENT. Thank you very much for that.

Thank you, Terry. It's a pleasure for me to receive this award from a Youth Governor, particularly the one from Georgia—[*laughter*]*—*particularly one from very close to my home, and particularly from the home of Georgia's full-time Governor, George Busbee. I appreciate this and will treasure it.

And now, if you would, just kind of in a hurry, come by and let me get a photograph of each one of you. We have a White House photographer.

NOTE: The President spoke at 9:30 a.m. in the Rose Garden at the White House.

## Federal Maritime Commission

*Nomination of Thomas F. Moakley To Be a Commissioner. June 30, 1978*

The President today announced that he will nominate Thomas F. Moakley for reappointment as a Commissioner of the Federal Maritime Commission for a 5-year term.

Moakley, 56, of Whitman, Mass., was appointed to the Commission last September. At the time of his appointment he was port director of the Port of Boston.

## Meeting With Helmut Kohl

*White House Statement on the Meeting With the West German Political Leader. June 30, 1978*

The President met today with Helmut Kohl, the chairman of the Christian Democratic Union/Christian Social Union of the Federal Republic of Germany. Also participating in the meeting were Dr. Zbigniew Brzezinski and Ambassador von Staden of the Federal Republic.

The President and Dr. Kohl discussed a wide range of international issues of interest to their two nations. The President said he looked forward to his forthcoming visit to Germany, and the two men discussed the summit meeting to be held in Bonn during the President's visit. The President expressed again the deep United States commitment to Europe, to the NATO Alliance, and to its relationship with the Federal Republic. Dr. Kohl said he thought the President's dedication to NATO had an important effect, and he stressed the importance of the President's trip, especially his visit to Berlin. Both men reaffirmed that German-American ties are firmly rooted in the common interests of the two countries.

## Equal Employment Opportunity Programs

*Executive Order 12067. June 30, 1978*

### PROVIDING FOR COORDINATION OF FEDERAL EQUAL EMPLOYMENT OPPORTUNITY PROGRAMS

By virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, including Section 9 of Reorgani-

zation Plan Number 1 of 1978 (43 FR 19807), it is ordered as follows:

#### 1-1. *Implementation of Reorganization Plan.*

1-101. The transfer to the Equal Employment Opportunity Commission of all the functions of the Equal Employment Opportunity Coordinating Council, and the termination of that Council, as provided by Section 6 of Reorganization Plan Number 1 of 1978 (43 FR 19807), shall be effective on July 1, 1978.

#### 1-2. *Responsibilities of Equal Employment Opportunity Commission.*

1-201. The Equal Employment Opportunity Commission shall provide leadership and coordination to the efforts of Federal departments and agencies to enforce all Federal statutes, Executive orders, regulations, and policies which require equal employment opportunity without regard to race, color, religion, sex, national origin, age or handicap. It shall strive to maximize effort, promote efficiency, and eliminate conflict, competition, duplication and inconsistency among the operations, functions and jurisdictions of the Federal departments and agencies having responsibility for enforcing such statutes, Executive orders, regulations and policies.

1-202. In carrying out its functions under this order the Equal Employment Opportunity Commission shall consult with and utilize the special expertise of Federal departments and agencies with equal employment opportunity responsibilities. The Equal Employment Opportunity Commission shall cooperate with such departments and agencies in the discharge of their equal employment responsibilities.

1-203. All Federal departments and agencies shall cooperate with and assist the Equal Employment Opportunity

Commission in the performance of its functions under this order and shall furnish the Commission such reports and information as it may request.

*1-3. Specific Responsibilities.*

1-301. To implement its responsibilities under Section 1-2, the Equal Employment Opportunity Commission shall, where feasible:

- (a) develop uniform standards, guidelines, and policies defining the nature of employment discrimination on the ground of race, color, religion, sex, national origin, age or handicap under all Federal statutes, Executive orders, regulations, and policies which require equal employment opportunity;
- (b) develop uniform standards and procedures for investigations and compliance reviews to be conducted by Federal departments and agencies under any Federal statute, Executive order, regulation or policy requiring equal employment opportunity;
- (c) develop procedures with the affected agencies, including the use of memoranda of understanding, to minimize duplicative investigations or compliance reviews of particular employers or classes of employers or others covered by Federal statutes, Executive orders, regulations or policies requiring equal employment opportunity;
- (d) ensure that Federal departments and agencies develop their own standards and procedures for undertaking enforcement actions when compliance with equal employment opportunity requirements of any Federal statute, Executive order, regulation or policy cannot be secured by voluntary means;

- (e) develop uniform record-keeping and reporting requirements concerning employment practices to be utilized by all Federal departments and agencies having equal employment enforcement responsibilities;
- (f) provide for the sharing of compliance records, findings, and supporting documentation among Federal departments and agencies responsible for ensuring equal employment opportunity;
- (g) develop uniform training programs for the staff of Federal departments and agencies with equal employment opportunity responsibilities;
- (h) assist all Federal departments and agencies with equal employment opportunity responsibilities in developing programs to provide appropriate publications and other information for those covered and those protected by Federal equal employment opportunity statutes, Executive orders, regulations, and policies; and
- (i) initiate cooperative programs, including the development of memoranda of understanding between agencies, designed to improve the coordination of equal employment opportunity compliance and enforcement.

1-302. The Equal Employment Opportunity Commission shall assist the Civil Service Commission, or its successor, in establishing uniform job-related qualifications and requirements for job classifications and descriptions for Federal employees involved in enforcing all Federal equal employment opportunity provisions.

1-303. The Equal Employment Opportunity Commission shall issue such rules, regulations, policies, procedures or

orders as it deems necessary to carry out its responsibilities under this order. It shall advise and offer to consult with the affected Federal departments and agencies during the development of any proposed rules, regulations, policies, procedures or orders and shall formally submit such proposed issuances to affected departments and agencies at least 15 working days prior to public announcement. The Equal Employment Opportunity Commission shall use its best efforts to reach agreement with the agencies on matters in dispute. Departments and agencies shall comply with all final rules, regulations, policies, procedures or orders of the Equal Employment Opportunity Commission.

1-304. All Federal departments and agencies shall advise and offer to consult with the Equal Employment Opportunity Commission during the development of any proposed rules, regulations, policies, procedures or orders concerning equal employment opportunity. Departments and agencies shall formally submit such proposed issuances to the Equal Employment Opportunity Commission and other interested Federal departments and agencies at least 15 working days prior to public announcement. The Equal Employment Opportunity Commission shall review such proposed rules, regulations, policies, procedures or orders to ensure consistency among the operations of the various Federal departments and agencies. Issuances related to internal management and administration are exempt from this clearance process. Case handling procedures unique to a single program also are exempt, although the Equal Employment Opportunity Commission may review such procedures in order to assure maximum consistency within the Federal equal employment opportunity program.

1-305. Before promulgating significant rules, regulations, policies, procedures or

orders involving equal employment opportunity, the Commission and affected departments and agencies shall afford the public an opportunity to comment.

1-306. The Equal Employment Opportunity Commission may make recommendations concerning staff size and resource needs of the Federal departments and agencies having equal employment opportunity responsibilities to the Office of Management and Budget.

1-307. (a) It is the intent of this order that disputes between or among agencies concerning matters covered by this order shall be resolved through good faith efforts of the affected agencies to reach mutual agreement. Use of the dispute resolution mechanism contained in Subsections (b) and (c) of this Section should be resorted to only in extraordinary circumstances.

(b) Whenever a dispute which cannot be resolved through good faith efforts arises between the Equal Employment Opportunity Commission and another Federal department or agency concerning the issuance of an equal employment opportunity rule, regulation, policy, procedure, order or any matter covered by this Order, the Chairman of the Equal Employment Opportunity Commission or the head of the affected department or agency may refer the matter to the Executive Office of the President. Such reference must be in writing and may not be made later than 15 working days following receipt of the initiating agency's notice of intent publicly to announce an equal employment opportunity rule, regulation, policy, procedure or order. If no reference is made within the 15 day period, the decision of the agency which initiated the proposed issuance will become effective.

(c) Following reference of a disputed matter to the Executive Office of the President, the Assistant to the President for Domestic Affairs and Policy (or such

other officials as the President may designate) shall designate an official within the Executive Office of the President to meet with the affected agencies to resolve the dispute within a reasonable time.

1-4. *Annual Report.*

1-401. The Equal Employment Opportunity Commission shall include in the annual report transmitted to the President and the Congress pursuant to Section 715 of Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000e-14), a statement of the progress that has been made in achieving the purpose of this order. The Equal Employment Opportunity Commission shall provide Federal departments and agencies an opportunity to comment on the report prior to formal submission.

1-5. *General Provisions.*

1-501. Nothing in this order shall relieve or lessen the responsibilities or obligations imposed upon any person or entity by Federal equal employment law, Executive order, regulation or policy.

1-502. Nothing in this order shall limit the Attorney General's role as legal adviser to the Executive Branch.

JIMMY CARTER

The White House,  
June 30, 1978.

[Filed with the Office of the Federal Register,  
4:23 p.m., June 30, 1978]

## Litigation Against Public Sector Employers

*Executive Order 12068. June 30, 1978*

PROVIDING FOR TRANSFER TO THE ATTORNEY GENERAL OF CERTAIN FUNCTIONS UNDER SECTION 707 OF TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED

By virtue of the authority vested in me as President of the United States by

the Constitution and laws of the United States, including Section 9 of Reorganization Plan Number 1 of 1978 (43 FR 19807), in order to clarify the Attorney General's authority to initiate public sector litigation under Section 707 of Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000e-6), it is ordered as follows:

1-1. *Section 707 Functions of the Attorney General.*

1-101. Section 5 of Reorganization Plan Number 1 of 1978 (43 FR 19807) shall become effective on July 1, 1978.

1-102. The functions transferred to the Attorney General by Section 5 of Reorganization Plan Number 1 of 1978 shall, consistent with Section 707 of Title VII of the Civil Rights Act of 1964, as amended, be performed in accordance with Department of Justice procedures heretofore followed under Section 707.

JIMMY CARTER

The White House,  
June 30, 1978.

[Filed with the Office of the Federal Register,  
4:24 p.m., June 30, 1978]

## American Stainless Steel Table Flatware Industry

*Message to the Congress Transmitting a Report. June 30, 1978*

*To the Congress of the United States:*

In accordance with section 203(b) (2) of the Trade Act of 1974, enclosed is a report to the Congress setting forth my determination that import relief for the U.S. stainless steel table flatware industry is not in the national economic interest, and explaining the reasons for my decision.

JIMMY CARTER

The White House,  
June 30, 1978.

## IMPORT RELIEF ACTION

## STAINLESS STEEL TABLE FLATWARE

As required under section 203(b) (2) of the Trade Act of 1974, I am transmitting this report to Congress setting forth the action I will take with respect to stainless steel table flatware covered by the affirmative finding on May 8, 1978 of the U.S. International Trade Commission (USITC) under section 201(d) (1) of the Trade Act. As my action differs from that recommended by the USITC, I have included the reasons for my decision.

After considering all relevant aspects of the case, including those considerations set forth in section 202(c) of the Trade Act of 1974, I have determined that import relief for the domestic stainless steel table flatware industry would not be in the national economic interest for the following reasons:

1. The imposition of import relief would not be an effective means to promote adjustment in the industry. The dominant firm in the domestic industry now supplies over half of all domestic production (almost three quarters in value terms) and currently utilizes technologically advanced manufacturing equipment. This firm, as well as a number of smaller firms who are operating profitably, should remain profitable.

2. All the major firms in the industry have been increasing their amounts of imports in order to supplement the particular product lines in which they specialize and to improve their overall profitability and this trend is expected to continue.

3. Import relief would discriminate against low-income purchasers and substantially increase costs to consumers. (Under the USITC's recommended remedy, costs are estimated to increase by at least \$33 million in the first year.)

These costs may increase even further if the moderating influence that low-price imports have on the prices of domestically produced flatware is eliminated. In a time when we are striving to control inflation, these costs are too high.

4. This industry has had import relief in 13 out of the past 20 years. Providing import relief again would be inconsistent with the internationally accepted concept that import relief in escape clause cases should be of a temporary nature.

5. Employment losses since 1975 have been small and many of the unemployed workers are currently receiving Trade Adjustment Assistance benefits. The USITC estimates gradually increasing domestic production of flatware even in the absence of relief and this should have a stabilizing effect on the number of jobs in the industry.

6. Expedited consideration of adjustment petitions from workers, firms, and communities is still in effect as a result of the Presidential determination on the 1976 import relief case.

## American Stainless Steel Table Flatware Industry

*Memorandum From the President.*  
June 30, 1978

*Memorandum for the Special Representative for Trade Negotiations*

*Subject:* Determination Under Section 202(b) (1) of the Trade Act; Stainless Steel Table Flatware

Pursuant to section 202(b) (1) of the Trade Act of 1974 (19 U.S.C. 2252(b) (1)), I have determined the action I will take with respect to the report of the United States International Trade Commission (USITC), transmitted to me on May 8, 1978, concerning the results of its



investigation of a petition for import relief filed by the Stainless Steel Flatware Manufacturers Association, Washington, D.C., on behalf of the domestic industry producing knives, forks, spoons, and ladles, with stainless steel handles, provided for in items 650.08, 650.09, 650.10, 650.12, 650.38, 650.39, 650.40, 650.42, 650.54, 650.55, and, if included in sets, 651.75 of the Tariff Schedules of the United States.

After considering all relevant aspects of the case, including those considerations set forth in section 202(c) of the Trade Act of 1974, I have determined that provision of import relief is not in the national economic interest.

The imposition of import relief would not be an effective means to promote adjustment in the industry. The dominant firm in the domestic industry currently utilizes the most advanced manufacturing equipment and, along with a number of smaller firms, should remain profitable. Most major domestic producers of flatware currently rely on imports in a substantial and increasing degree to supplement the particular product lines in which they specialize and this trend is expected to continue. Import relief in the form of a tariff rate quota has been in effect for 13 out of the past 20 years in order to facilitate adjustment in this industry and additional relief would be inappropriate. Providing import relief again would be inconsistent with the internationally accepted concept that import relief in escape clause cases should be of a temporary nature.

Import relief would substantially increase costs to consumers, have an adverse impact on consumer demand, and discriminate against low-income purchasers. Consumer costs may increase even further if the moderating influence that low price imports have on the prices of domestically produced flatware is eliminated. In a time when we are striv-

ing to control inflation, these added costs are unacceptable.

Employment losses since 1975 have been small and many of the unemployed workers are currently receiving trade adjustment assistance benefits. The USITC estimates that overall domestic production of flatware should gradually increase even in the absence of relief and this should have a stabilizing effect on the number of jobs in the industry. Further, expedited consideration of adjustment assistance petitions from workers, firms, and communities is still in effect as a result of the Presidential determination on the 1976 import relief case.

This determination is to be published in the *FEDERAL REGISTER*.

JIMMY CARTER

[Filed with the Office of the Federal Register, 11:07 a.m., July 6, 1978]

## International Energy Exposition in Knoxville, Tennessee

*Announcement of a Federal Interagency  
Effort To Assist the City. June 30, 1978*

The President has directed Jack Watson, Assistant to the President and Chairman of the Interagency Coordinating Council, to organize an interagency effort to assist Knoxville, Tenn., with its proposed International Energy Exposition.

In announcing the interagency effort, the President said, "It has become apparent that the planning process for Expo 82 has reached the stage that high-level Federal coordination is appropriate. In line with my commitment to the success of this international project and my strong support for interagency cooperation on programs which have national as well as local import, I am urging the Interagency Coordinating Council to begin

work immediately on a joint effort with the city of Knoxville, the State of Tennessee, and the private sector to make available appropriate Federal resources in a coordinated fashion. Expo 82 will seek to dramatize the national and international importance of our energy problems and possible solutions to those problems.”

Jack Watson will make this the first specific project of the Council, and the lead agencies involved will be Commerce (including the United States Travel Service), HUD, State, and Energy.

## United States Court of Claims

*Nomination of Edward S. Smith To Be an Associate Judge. June 30, 1978*

The President today announced that he will nominate Edward S. Smith, of Baltimore, Md., to be an Associate Judge of the United States Court of Claims. He would replace Byron Skelton, retired.

Smith was born March 27, 1919, in Birmingham, Ala. He received a B.A. (1941) and LL.B. (1947) from the University of Virginia. He served in the U.S. Navy from 1941 to 1946.

Smith practiced law from 1947 to 1961. From 1961 to 1963, he was a trial attorney with the Tax Division of the Justice Department. Since 1963 he has practiced law in Baltimore.

## Joint Chiefs of Staff

*Remarks at Ceremonies Honoring the Chairman and Two Members. June 30, 1978*

*Secretary Brown, other Americans assembled here with a total commitment to defend and preserve our Nation:*

It's an honor for me to participate in this ceremony. Secretary Brown said that we come to honor these three men. But they have and will honor us with their superb service and with a very proper balancing between a desire for peace and a willingness to maintain strength.

I taught Sunday school this past weekend, and one of the points I made to my class was that quite often we misjudge others. I asked them to name the group who in their brief encounters with me as President, when the uppermost thought on their mind needs to be imparted very rapidly, which group most often said, "God bless you, Mr. President," or "We're praying for you." And the class guessed all kinds of groups, and the proper answer was the military.

Military families are the first ones who suffer when war comes. At the time of enlistment, their lives are offered for their country. Those offers are not retracted or canceled.

I'm very proud to be able to participate this afternoon in a ceremony to acknowledge the qualities of three men, qualities which exemplify, historically, American military service: superb training, preparation for war in times of peace, experience derived from complicated interrelationships between men and women and the other elements that comprise military capability—personal character, honesty, integrity, reliability, dedication, patriotism—the qualities of leadership to inspire others to emulate the finest qualities among those who head our military forces; and an important but quiet realization of political truths, so that international and national politics in a nonpartisan way can be understood and accommodated and even used.

I have been privileged to work with General David Jones the last 18 months. I know about his background and his ex-

perience—300 hours of combat over North Korea, a superb strategist, a man who in both military and political definition is a statesman. He is our new Chairman of the Joint Chiefs of Staff.

General Lew Allen, who had perhaps the Nation's shortest period of service as a Vice Chief—only 5 days—and his superb qualities were recognized so quickly and instantly—[laughter]—that he was immediately promoted to be the Chief of Staff of the Air Force: a man who has 4,000 hours of experience in the air in strategic bombers, who brings to the Joint Chiefs of Staff a continuation of his superb qualities as a scientist, able to use the resources of our Nation in the most effective way for military strength to prevent war.

Admiral Tom Hayward, a fighter, squadron participant and leader, experienced as a teacher in the Nation's War College, advanced training as a student of international affairs—but I think the characteristic that sticks in my mind is that he is a superb operational commander. I would really have preferred a submariner—[laughter]—but Tom Hayward's qualities are so superior that even the Navy submariners preferred him to be the Chief of Naval Operations.

I would like to say in closing that we are a strong nation. We have strong alliances with other people who themselves represent the traits of character that engender strength. We are able even to withstand, if necessary, a strategic nuclear attack and still have the capability of punishment so severe that other potential adversaries can be completely destroyed. This is the best assurance that this mutual destruction will be avoided and it's necessary that we maintain that strength.

Our conventional force is also strong, tested in combat, interrelated in an ef-

fective and superb way, competitive in the finest sense of the word among the forces of our military capability, but still correlating one another's strength in the finest fashion.

We have an ability for self-examination in a nation based upon the consent of the governed, and when one particular element of our security does become in need of change, we recognize it and make those changes.

One example, I think, has been the recent recommitment of the strength of NATO. In the military, in the White House, in the Congress, throughout our Nation, we have said anew that this collection of democratic countries would stand together for mutual defense, and I think our own action has been an inspiration to other members of NATO, and that alliance has been strengthened.

We now face the challenge on the southern flank of NATO. We want to remove the problems with Turkey, remove the embargo against that country. Our military leaders have voices that are strong, and their observations are assessed with great care by the Congress and the people. They can be a great help in telling the truth to the American people. We are able in this country to think, to plan, to design, to perform better than any other nation on Earth.

As I said in the recent speech in Annapolis, we are eager to cooperate with the Soviet Union or any other potential adversary. We are willing to compete, when necessary. We will never shirk our responsibility. We will never permit our military capability to be second to any other, because we know that along with the natural advantages that we enjoy—ideological, political, economic—that all these would be of no avail if we did not maintain a strong, constant, well-recognized defense capability. And we will

never permit our Nation to be weak militarily, which guarantees us that we can be strong in every other aspect of life.

So, to summarize my comments, I would like to say that I'm proud to be with these leaders whom we recognize. I think I know our country well. Our people are committed to the principles that I've outlined briefly this afternoon. We want peace. We are determined to maintain peace. But we recognize that peace can only come through strength. And that we will also maintain in the United States of America.

Thank you very much.

NOTE: The President spoke at 3:15 p.m. on the River Entrance Plaza at the Pentagon.

Following his remarks, the President presented certificates of office to Gen. David C. Jones as Chairman of the Joint Chiefs of Staff, Gen. Lew Allen, Jr., as Chief of Staff of the Air Force, and Adm. Thomas B. Hayward as Chief of Naval Operations.

## Executive Schedule

*Executive Order 12069. June 30, 1978*

### RELATING TO CERTAIN POSITIONS IN LEVEL IV OF THE EXECUTIVE SCHEDULE

By the authority vested in me as President of the United States of America by Section 5317 of Title 5 of the United States Code, Section 1 of the Executive Order No. 11861, as amended, placing certain positions in level IV of the Executive Schedule, is further amended by deleting "Deputy Under Secretary, Department of Transportation" in subsection (9) and inserting in lieu thereof "Administrator, Research and Special Programs Administration, Department of Transportation."

JIMMY CARTER

The White House,  
June 30, 1978.

[Filed with the Office of the Federal Register,  
4:25 p.m. June 30, 1978]

## Federal Cost-of-Living Allowances

*Executive Order 12070. June 30, 1978*

### ADJUSTMENT OF COST OF LIVING ALLOWANCES

By the authority vested in me as President of the United States of America by Section 5941 of Title 5 of the United States Code, and in order to authorize the temporary restoration of the cost of living allowance to certain employees, it is hereby ordered as follows:

#### 1-1. *Suspension of Applicable Requirements.*

1-101. The requirement of Section 205 (b) (2) of Executive Order No. 10000, as amended, that consideration be given to quarters or subsistence, commissary or other purchasing privileges, in determining cost of living allowance rates, is suspended except to the extent that such privileges are furnished as a result of Federal civilian employment.

1-102. Quarters or subsistence, commissary or other purchasing privileges, shall not be taken into consideration in determining cost of living allowance rates of employees who are furnished such facilities as a result of Federal civilian employment but who do not use them.

#### 1-2. *Administrative Matters.*

1-201. This Order shall take effect July 30, 1978 and shall operate prospectively.

1-202. The United States Civil Service Commission shall conduct a study of problems associated with the implementation of Section 5941 of Title 5 of the United States Code. The Commission's findings and recommendations for long-term solutions to problems encountered with respect to the cost of living allow-

ance and differential compensation authorized by that statute shall be submitted to the President.

JIMMY CARTER

The White House,  
June 30, 1978.

[Filed with the Office of the Federal Register,  
11:05 a.m., July 3, 1978]

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## Digest of Other White House Announcements

The following listing includes the President's daily schedule and other items of general interest as announced by the White House Press Office during the period covered by this issue. Events and announcements printed elsewhere in the issue are not included.

### *June 23*

Following his arrival in Houston, Tex., the President attended receptions for Representative Bob Gammage of Texas and sponsors of the Democratic fundraising dinner at which he later spoke. He also met with representatives of the Houston Hispanic community.

### *June 24*

During his stay in Houston, the President held separate meetings with representatives of the Houston black community and Texas business executives. He also attended a reception for volunteers who had worked in his 1976 Presidential primary and general election campaigns.

The President returned to the White House from his trip to Texas.

### *June 26*

The President met at the White House with:

—Prime Minister James Callaghan of the United Kingdom;

—Zbigniew Brzezinski, Assistant to the President for National Security Affairs;

—Frank B. Moore, Assistant to the President for Congressional Liaison;

—Secretary of Health, Education, and Welfare Joseph A. Califano, Jr., and a group of administration officials;

—Vice President Walter F. Mondale;

—Senator Edward M. Kennedy of Massachusetts.

### *June 27*

The President met at the White House with:

—Dr. Brzezinski;

—Mr. Moore;

—a bipartisan group of Members of the Senate and House of Representatives;

—Vice President Mondale, Adm. Stansfield Turner, Director of Central Intelligence, Hamilton Jordan, Assistant to the President, and Dr. Brzezinski;

—Mrs. Carter, for lunch;

—Jerry Lewis, national chairman of the Muscular Dystrophy Association;

—James T. McIntyre, Jr., Director of the Office of Management and Budget.

The President transmitted to the Congress the annual report of the Office of Alien Property, Department of Justice, for fiscal year 1976.

Senator John Glenn of Ohio will be the President's personal representative to the Solomon Islands independence ceremonies held July 5–8 in the capital city of Honiara.

### *June 28*

The President met at the White House with:

—Dr. Brzezinski;

—Mr. Moore;

—Representative Joseph L. Fisher of Virginia;

- Senate Majority Leader Robert C. Byrd;
- Vice President Mondale, Secretary of the Treasury W. Michael Blumenthal, G. William Miller, Chairman of the Board of Directors, Federal Reserve System, Charles L. Schultze, Chairman of the Council of Economic Advisers, and Mr. McIntyre.

*June 29*

The President departed the White House in the morning for a fishing trip off the Virginia coast. He returned to the White House in the evening.

*June 30*

The President met at the White House with:

- Secretary of State Cyrus R. Vance, Secretary of Defense Harold Brown, Dr. Brzezinski, and Mr. Jordan;
- Mr. Moore;
- Mr. Schultze;
- a group of editors and news directors (transcript will be printed next week);
- Father Theodore Hesburgh, U.S. Ambassador to the U.N. Conference on Science and Technology.

Following his visit to the Pentagon, the President departed Washington, D.C., for a week's stay at Camp David, Md.

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**NOMINATIONS SUBMITTED  
TO THE SENATE**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

**Submitted June 26, 1978**

- R. PETER STRAUS, of New York, to be an Associate Director of the International Communication Agency (new position).
- ROBERT E. HAUBERG, of Mississippi, to be United States Attorney for the Southern District of Mississippi for the term of 4 years (reappointment).

**NOMINATIONS—Continued**

**Submitted June 26—Continued**

CLINTON T. PEOPLES, of Texas, to be United States Marshal for the Northern District of Texas for the term of 4 years (reappointment).

**Submitted June 27, 1978**

MARY S. OLMSTED, of Tennessee, a Foreign Service officer of Class one, now Ambassador Extraordinary and Plenipotentiary of the United States of America to Papua New Guinea, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Solomon Islands.

**Submitted June 30, 1978**

EDWARD S. SMITH, of Maryland, to be an Associate Judge of the United States Court of Claims, vice Byron G. Skelton, retired.

ROBERT J. CINDRICH, of Pennsylvania, to be United States Attorney for the Western District of Pennsylvania for the term of 4 years, vice Blair A. Griffith.

EUGENE MADDEN, JR., of New York, to be United States Marshal for the Northern District of New York for the term of 4 years, vice Frank M. Dulan, term expired.

THOMAS F. MOAKLEY, of Massachusetts, to be a Federal Maritime Commissioner for the term expiring June 30, 1983 (reappointment).

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**CHECKLIST OF WHITE HOUSE  
PRESS RELEASES**

The following releases of the Office of the White House Press Secretary, distributed during the period covered by this issue, are not included in the issue.

**Released June 23, 1978**

Advance text: remarks at the Democratic fundraising dinner in Houston, Tex.

**Released June 24, 1978**

Advance text: remarks at dedication ceremonies for the Jack Brooks Federal Building in Beaumont, Tex.

Announcement: commendation by Ambassador Robert S. Strauss of the Business Roundtable for joining in the administration's program of voluntary wage and price restraint

## *Administration of Jimmy Carter, 1978*

### **CHECKLIST—Continued**

#### **Released June 24—Continued**

Announcement: commendation by Ambassador Strauss of the Printing Industries of America, Inc., for joining in the administration's program of voluntary wage and price restraint

#### **Released June 26, 1978**

Announcement: nomination of Clinton T. Peoples to be United States Marshal for the Northern District of Texas

Announcement: nomination of Robert E. Hauberg to be United States Attorney for the Southern District of Mississippi

Fact sheet: Representative William A. Steiger's proposal on tax reduction legislation

#### **Released June 27, 1978**

Announcement: commendation by Ambassador Strauss of the Chamber of Commerce of the United States for its anti-inflation resolution

Announcement: U.S. delegation to the Solomon Islands independence ceremonies

#### **Released June 28, 1978**

Statement: on the Supreme Court decisions on *Regents of the University of California v. Bakke*—by Attorney General Griffin B. Bell (made during his White House news conference)

News conference: on the Supreme Court decisions on the *Bakke* case—by Attorney General Bell

#### **Released June 29, 1978**

Fact sheet: Executive Order 12065, on national security information

News conference: on the security classification system—by Deanne Siemer, General Counsel, Department of Defense; Richard M. Neustadt, Assistant Director, Domestic Policy Staff, and Gary Barron, National Security Council staff

#### **Released June 30, 1978**

Announcement: nomination of Eugene Maden, Jr., to be United States Marshal for the Northern District of New York

Announcement: nomination of Robert J. Cindrich to be United States Attorney for the Western District of Pennsylvania

Fact sheet: administration's paperwork reduction programs

### **ACTS APPROVED BY THE PRESIDENT**

#### **Approved June 26, 1978**

S. 2553----- Public Law 95-298  
Maritime Appropriation Authorization Act for Fiscal Year 1979.

H.R. 5493----- Public Law 95-299  
An act to extend until October 1, 1980, the appropriation authorizations for the Great Dismal Swamp and San Francisco Bay National Wildlife Refuges.

H.R. 10884----- Public Law 95-300  
An act to authorize appropriations to the Council on Environmental Quality for fiscal years 1979, 1980, and 1981.

H.J. Res. 944----- Public Law 95-301  
A joint resolution making urgent grain inspection supplemental appropriations for the Department of Agriculture, Federal Grain Inspection Service, for the fiscal year ending September 30, 1978.

S. 2380----- Public Law 95-302  
An act to amend the Intervention on the High Seas Act to implement the protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil, 1973.

H.R. 1436----- Private Law 95-41  
An act for the relief of William H. Klusmeier, publisher of the Austin Citizen, of Austin, Texas.

#### **Approved June 29, 1978**

H.R. 5176----- Public Law 95-303  
An act to lower the duty on levulose until the close of June 30, 1980.

H.R. 10823----- Public Law 95-304  
An act to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such Act for fiscal year 1979, and for other purposes.

S. 2973----- Public Law 95-305  
An act authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

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**ACTS APPROVED—Continued**

**Approved June 30, 1978**

- H.R. 11779----- Public Law 95-306  
Renewable Resources Extension Act of 1978.  
H.R. 11778----- Public Law 95-307  
Forest and Rangeland Renewable Resources  
Research Act of 1978.  
H.R. 11465----- Public Law 95-308  
An act to authorize appropriations for the  
United States Coast Guard for fiscal year  
1979, and for other purposes.  
H.J. Res. 995----- Public Law 95-309  
A joint resolution to designate Sunday,  
June 25, 1978, as "National Brotherhood  
Day".

**ACTS APPROVED—Continued**

**Approved June 30—Continued**

- S. 2033----- Public Law 95-310  
An act to provide for conveyance of certain  
lands in the Wenatchee National Forest,  
Washington, by the Secretary of Agriculture.  
S. 2351----- Public Law 95-311  
An act to designate the proposed new Vet-  
erans' Administration hospital in Little Rock,  
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morial Veterans' Hospital", and for other  
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S.J. Res. 128----- Public Law 95-312  
A joint resolution designating July 1, 1978,  
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